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EXTRAORDINARY

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31st Vaisakha, 1942 (S. E.)

PART-V

GOVERNMENT OF MEGHALAYA

MEGHALAYA LEGISLATIVE ASSEMBLY SECRETARIAT

NOTIFICATION

The 20th May, 2020.

No.LB.66/LA/2020/4. - The Meghalaya Goods and Services Tax (Amendment) Bill, 2020, introduced in the Meghalaya Legislative Assembly on the 20th May, 2020, together with the statement of objects and reasons is published under Rule 71 of the Rules of Procedure and Conduct of Business in the Meghalaya Legislative Assembly for general information.

THE MEGHALAYA GOODS AND SERVICES TAX (AMENDMENT) BILL, 2020**A****BILL**

further to amend the Meghalaya Goods and Services Tax Act, 2017 (Act No. 10 of 2017)

Be it enacted by the Legislature of the State of Meghalaya on the Seventy First Year of the Republic of India as follows:-

- | | | |
|-------------------------------------|----|--|
| Short title and commencement | 1. | (1) This Act may be called the Meghalaya Goods and Services Tax (Amendment) Act, 2020.

(2) Save as otherwise provided, the provisions of this Act shall come into force on such date as the Government may, by notification in the Official Gazette, appoint. |
| Amendment of Section 2 | 2. | In Section 2 of the Meghalaya Goods and Services Tax Act, 2017 (herein after refer to as principal Act), in clause (114), for sub-clauses (c) and (d), the following sub-clauses shall be substituted, namely:-

“(c) Dadra and Nagar Haveli and Daman and Diu;
(d) Ladakh;” |
| Amendment of Section 10 | 3. | In Section 10 of the principal Act, in sub-section (2), in clauses (b), (c) and (d) after the words “of goods”, the words “or services” shall be inserted. |
| Amendment of Section 16 | 4. | In Section 16 of the principal Act, in sub-section (4), the words “invoice relating to such” shall be omitted. |
| Amendment of Section 29 | 5. | In Section 29 of the principal Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely:-

“(c) The taxable person is no longer liable to be registered under Section 22 or Section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of Section 25”. |
| Amendment of Section 30 | 6. | In Section 30 of the principal Act, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:-

“Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(b) by the Commissioner, for a further period not exceeding |

thirty days, beyond the period specified in clause (a)".

**Amendment of
Section 31**

7. In Section 31 of the principal Act, in sub-section (2), for the existing proviso, the following proviso shall be substituted, namely:—

"Provided that the Government may, on the recommendations of the Council, by notification,—

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which—

(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(ii) tax invoice may not be issued."

**Amendment of
Section 51**

8. In Section 51 of the principal Act,—

(a) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.";

(b) sub-section (4) shall be omitted.

**Amendment of
Section 122**

9. In Section 122 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1 A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on".

**Amendment of
Section 132**

10. In Section 132 of the principal Act, in sub-section (1),—

(i) for the words "Whoever commits any of the following offences", the words "Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences" shall be substituted;

(ii) for clause (c), the following clause shall be substituted, namely:—

"(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill";

- (iii) in clause (e), the words, “fraudulently avails input tax credit” shall be omitted.

**Amendment of
Section 140**

11. In Section 140 of the principal Act, with effect from the 1st day of July, 2017,—

- (a) in sub-section (1), after the words “existing law”, the words “within such time and” shall be inserted and shall be deemed to have been inserted and the words “not later than ninety days after the said day” shall be omitted and shall be deemed to have been omitted;
- (b) in sub-section (2), after the words “appointed day”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;
- (c) in sub-section (3), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;
- (d) in sub-section (5), for the words “existing law”, the words “existing law, within such time and in such manner as may be prescribed” shall be substituted and shall be deemed to have been substituted;
- (e) in sub-section (6), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

**Insertion of
new Section
168A in Act 10
of 2017**

12. After Section 168 of the principal Act, the following Section shall be inserted, namely :-

168A (1) Notwithstanding anything contained in the principal Act, the Government may, on the recommendation of the Council, by notification, extend the time limit specified in, or prescribed for, or notified under, this Act in respect of actions which cannot be completed or complied with due to *force majeure*.

Power of
Government to
extend time
limit in special
circumstances

(2) The power to issue notification under sub-section (1) shall include to give retrospective effect to such notification from a date not earlier than the date of commencement of this Act.

Explanation - For the purposes of this Section, the expression “*force majeure*” means a case of war, epidemic, flood, drought, fire, cyclone, earthquake or any other calamity caused by nature

or otherwise affecting the implementation of any of the provisions of this Act

**Amendment of
Section 172**

13. In Section 172 of the principal Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

**Amendment to
Schedule II**

14. In Schedule II to the principal Act, in paragraph 4, the words “whether or not for a consideration” at both the places where they occur, shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

STATEMENT OF OBJECTS AND REASONS

The Meghalaya Goods and Services Tax (Amendment) Ordinance, 2020 which was promulgated due to the prevailing circumstances because of the COVID-19 Pandemic to empower the Government to, among other things;

- (a) reflect the political reorganization of UTs
- (b) regularize the inclusion of certain services in Composition Provision.
- (c) To omit the present provision of late fee on account of late issuance of TDS certificate.
- (d) provide for extension of time limit in respect of actions which cannot be completed or complied with due to "*force majeure*" needs to be regularised by placing the Bill of the same for passing by the State Legislature;

Is required to be regularised by placing the same in the Legislative Assembly, hence the Bill.

JAMES K. SANGMA,
Minister-in-charge.

ANDREW SIMONS,
Commissioner & Secretary,
Meghalaya Legislative Assembly.

FINANCIAL MEMORANDUM

The provisions of this Bill when enacted and enforced will be administered by the staff of the Taxation Department and no additional expenditure will be necessary for the purpose.



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PART-V

GOVERNMENT OF MEGHALAYA

MEGHALAYA LEGISLATIVE ASSEMBLY SECRETARIAT

NOTIFICATION

The 20th May, 2020.

No.LB.65/LA/2020/3. - The Meghalaya Labour Laws (Amendment) Bill, 2020 introduced in the Meghalaya Legislative Assembly on the 20th May, 2020, together with the statement of objects and reasons is published under Rule 71 of the Rules of Procedure and Conduct of Business in the Meghalaya Legislative Assembly for general information.

THE MEGHALAYA LABOUR LAWS (AMENDMENT) BILL, 2020

A

Bill

to further amend the Factories Act, Contract Labour (Regulation and Abolition) Act and Industrial Disputes Act.

AND WHEREAS, instructions from the Government of India, Ministry of Labour and Employment have been received to carry out amendments to the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970 and Industrial Disputes Act, 1947.

Now therefore, in light of the instructions received from the Government of India, Ministry of Labour and Employment, be it enacted by the Legislature of the State of Meghalaya in the Seventy-First Year of the Republic of India as follows:-

Short title and commencement	<p>1. (1) This Act may be called the Meghalaya Labour Laws (Amendment) Act, 2020.</p> <p>(2) It extends to the whole of the State of Meghalaya.</p> <p>(3) It shall come into force on such date as the State Government may, by notification, in the Official Gazette appoint.</p>
Amendment of the Factories Act, 1948. (Central Act No. 63 of 1948)	<p>2. In clause (m) of Section 2 of the Factories Act, 1948,-</p> <p>(i) in the existing sub-clause (i), for the word “ten” appearing therein, the word “twenty” shall be substituted; and</p> <p>(ii) in sub-clause (ii), for the word “twenty” appearing therein, the word “forty” shall be substituted;</p>
Amendment of the Contract Labour (Regulation and Abolition) Act, 1970 (Central Act No. 37 of 1970)	<p>3. In sub-section (4) of Section 1 of Contract Labour (Regulation and Abolition) Act, 1970,-</p> <p>(i) in the existing clause (a) for the word “twenty” appearing therein, the word “fifty” shall be substituted ;and</p> <p>(ii) in the existing clause (b), for the word “twenty” appearing therein, the word “fifty” shall be substituted.</p>
Amendment of the Industrial Disputes Act, 1947. (Central Act No. 14 of 1947)	<p>4. In Section 25-K of the Industrial Disputes Act, 1947 for the words “one hundred” appearing therein, the words “three hundred” shall be substituted.</p>

STATEMENT OF OBJECT AND REASONS

As instructed by the Government of India, Ministry of Labour and Employment it has become necessary to make certain amendments to the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970 and Industrial Disputes Act, 1947.

Hence, this Bill.

SHRI PRESTONE TYNSONG

Minister,
Labour Department.

ANDREW SIMONS,

Commissioner & Secretary,
Meghalaya Legislative Assembly.

FINANCIAL MEMORANDUM

There will be no expenditure involved from the Consolidated Fund of the State of Meghalaya for implementation of the provisions of the Bill.



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GOVERNMENT OF MEGHALAYA

MEGHALAYA LEGISLATIVE ASSEMBLY SECRETARIAT

NOTIFICATION

The 20th May, 2020.

No.LB.64/LA/2020/3.— The Meghalaya State Agricultural Produced and Livestock Marketing (Promotion and Facilitation) Bill, 2020 introduced in the Meghalaya Legislative Assembly on the 20th May, 2020 together with the statement of objects and reasons is published under Rule 71 of the Rules of Procedure and Conduct of Business in the Meghalaya Legislative Assembly for general information.

**THE MEGHALAYA STATE AGRICULTURAL PRODUCE AND LIVESTOCK MARKETING
(PROMOTION AND FACILITATION) BILL, 2020**

A

Bill

To provide for geographically restriction-free trade transaction of agricultural produce including livestock across the State and country; to give freedom to the agriculturists to sell their produce across time and space; to enhance transparency in trade operations and price settlement mechanism through adoption of electronic and other innovative form of technology; to promote emergence of multiple channels for competitive marketing, agri-processing and agricultural export; to encourage investments in development of markets and marketing infrastructure in the State of Meghalaya; and whereas it is expedient to put in place facilitative regulation, professional management and conducive policy frame work there of and purposes connected therewith and to lay down procedures and systems thereto.

Be it enacted by the Meghalaya State Legislature in the Seventy first year of the Republic of India as follows:

CHAPTER –I

PRELIMINARY

**Short title, extent
and
commencement.**

1. (1) This Act may be called “The Meghalaya State Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2020.
- (2) It extends to the whole of Meghalaya.
- (3) It shall come into force on such date as the State Government may, by notification, appoint.

Definitions.

2. In this Act, unless there is anything repugnant in the subject or context-

(1) “**Ad-hoc buyer**” includes a buyer to be registered under Section 79 of this Act;

(2) “**Agricultural produce**” includes all produce, whether processed or not, of agriculture, horticulture, apiculture, sericulture, livestock and product of livestock, forest excluding trees grown on private land, specified in the schedule or declared by the Government by notification from time to time;

(3) “**Agriculturist**” means a person who is engaged in production of agricultural produce including rearing of livestock by himself or by hired labour or otherwise, including tenant;

“**Agriculturist**” also includes association of farmers, by whatever name called, registered under any law for the time being in force and is engaged in aggregation of member farmers’ produce including livestock;

Explanation: If a question arises, as to whether any person is an agriculturist or not for the purpose of this Act, the decision of the Deputy Commissioner or Officer In-charge of Land Revenue of the District by whatever name it may

be called in which such person is engaged in production of agricultural produce and/ or rearing of livestock, shall be final. Further, the expressions of land holder and tenant shall have the meaning assigned to them in the respective Land Reforms Act of the States.

(4) **“Assaying lab”** means a laboratory setup, as prescribed in the Rules, Bye-laws, guidelines or instructions, for testing of quality parameters as per the tradable parameters or grade-standards or any other parameters notified by the competent authority;

(5) **“Board”** means the Meghalaya State Agricultural Marketing Board, established under Section 84 of this Act;

(6) **“Buyer”** means a person, who himself or itself or on behalf of any person or agent buys or agrees to buy agricultural produce including livestock in the market;

(7) **“Bye-laws”** means subject to any Rules made by State Government under this Act, the Market Committee may, in respect of principal market yard and sub-market yard(s) or market sub-yard(s) under its management, make Bye-laws for the regulation of business and conditions of trading therein;

(8) **“Cold storage”** in relation to Market Yard means cold storage declared as market sub-yard under Section 12 of this Act;

(9) **“Commission agent”** means a person who buys or sells agricultural produce including livestock on behalf of his principal, or facilitates buying and selling at primary and other level of transaction, on e-platform or any other mode of transaction and activities ancillary thereto, keeps it in custody and controls it during the process of its sale or purchase, and collects payment thereof, if required, from the buyer and pays it to the seller, and receives by way of remuneration a commission or percentage upon the amount involved in such transaction;

(10) **“Delineated Market Area”** means a geographical area notified under Section 5 for the purpose of election of the Members of Market Committee and undertaking marketing related development therein ;

(11) **“Director”** means Director of Horticulture in charge of Agricultural Marketing or any other officer, excepting Managing Director of State Agricultural Marketing Board, appointed by the State Government, to exercise and/or perform such of the powers or functions of the Director of Agricultural Marketing under the provisions of this Act or the Rules, as may be prescribed in notification;

(12) **“Direct marketing”** in relation to agricultural produce, means direct wholesale purchase of agricultural produce from the farmers by the processors, exporters, bulk buyers, etc. outside the principal market yard,

sub-market yard, private market yard and market sub-yard under Section 13 of this Act;

(13) **“District Council”** means a Council under paragraph 2 of the Six Schedule to the Constitution of India.

(14) **“Electronic trading”** means trading of notified agricultural produce including livestock in which registration, auctioning, billing, booking, contracting, negotiating, information exchanging, record keeping and other connected activities are done electronically on computer network or internet;

(15) **“Electronic trading platform”** means electronic platform set up either by State Government or its agencies or a person licenced under Section 54 for conducting trading in notified agricultural produce including livestock through electronic media or by any means of communication in which registration, buying and selling, billing, booking, contracting and negotiating are carried out online through computer network or internet or any other such electronic device;

(16) **“Export”** means dispatch of agricultural produce including livestock outside India;

(17) **“Farmer-Consumer Market Yard”** means market yard established under Section 11 of this Act;

(18) **“Farmer-Producer Company (FPC)”** means a company of farmer-producer members as defined in Section IXA of the Indian Companies Act, 1956, including any amendments thereto, re-enactment thereof and incorporated with the Registrar of Companies;

(19) **“Government”** means the State Government;

(20) **“Government or Administration Agency”** means State Agricultural Marketing Department or Directorate, State Agricultural Marketing Board (SAMB), Agricultural Produce and Livestock Market Committee (APLMC) established or constituted under this Act;

(21) **“Licence”** means licence granted under the provisions of this Act;

(22) **“Licensee”** means a person holding a licence issued under the provisions of this Act;

(23) **“Livestock”** means cows, buffaloes, bullocks, bulls, goats and sheep, and includes poultry, fish and such other animals, and products thereof, specified in the schedule ;

(24) **“Local Authority”** means for the purpose of representation on the Market Committee in relation to an area within the local units, any Municipal Board, Town committee, or the notified committee or Local authority for the area;

(25) **“Managing Director”** means Managing Director of the State

Agricultural Marketing Board or any other officer, excepting the Director of Agricultural Marketing, appointed by the State Government, to exercise and/or perform such of the powers and functions of the Managing Director or Chief Executive Officer or Secretary, or by whatever name it is called, of the State Agricultural Marketing Board;

(26) **“Market Committee”** means the Agricultural Produce and Livestock Market Committee established under the provisions of this Act or established under exciting regulation;

(27) **“Marketing”** in relation to agriculture produce means all activities involved in the flow of agricultural produce from production point commencing at the stage of harvest till the same reaches the ultimate consumers viz. grading, processing, storage, transport, channels of distribution and all other functions involved in the process;

(28) **“Market Sub-Yard”** means warehouse, silos, cold storage or other such structure or place declared to be market sub-yard or deem to be market yard under Section 12;

(29) **“Market Yard”** in relation to delineated market area includes principal market yard, sub-market yard and market sub-yard in such delineated market are a notified by the State Government, and managed and operated by the Agricultural Produce and Livestock Market Committee;

(30) **“Market Yard of National Importance”** means a market yard as notified under Section 9 of this Act;

(31) **“National Agriculture Market (NAM)”** means an integrated market, without prejudice to any law for the time being inforce, where buying and selling of notified agricultural produce including livestock and activities incidental thereto are carried out in India possessing marketing utility across time and space ;

(32) **“Notified Agricultural Produce and Livestock”** means agricultural produce and livestock, specified in the Schedule of this Act;

(33) **“Overtrading”** in relation to a trader means the amount exceeding the value of the agricultural produce including livestock purchased at any point of time *vis-a-vis* to the amount of security deposited with or the bank guarantee he has furnished to the Market Committee;

(34) **“Person”** includes individual, a co-operative society, Hindu Undivided Family, a company or firm or an association or a body of individuals, whether incorporated or not;

(35) **“Petty Trader”** in relation to agricultural produce means a non-licensee trader under this Act who carries on purchasing or selling of notified agricultural produce in the quantity not exceeding of such quantity as specified in this Act and notified by the State Government as retail;

- (36) **“Prescribed”** means prescribed by Rules and/or Bye-laws made under this Act;
- (37) **“Private Market Yard”** means a market yard established under Section 10 of this Act;
- (38) **“Processing Unit”** in relation to Market Yard means processing unit declared as market sub-yard under Section 12 of this Act;
- (39) **“Processor”** in relation to agriculture produce means a person that undertakes processing of any notified agricultural produce on his own accord or on payment of a charge;
- (40) **“Registration”** means registration made under this Act for the purpose as specified;
- (41) **“Regulation”** means regulation made by the Board under Section 98 in accordance with the provisions of this Act;
- (42) **“Retail Sale”** in relation to a notified agricultural produce means, a sale not exceeding such quantity as specified in this Act and notified by the State Government;
- (43) **“Revolving Marketing Development Fund”** means a non-lapsable Fund maintained by Director under Section 112(1) of this Act;
- (44) **“Rules”** means rules made under this Act by the State Government;
- (45) **“Seller”** means a person who sells or agrees to sell agricultural produce including livestock for consideration of price;
- (46) **“Schedule”** means the Schedule appended to this Act;
- (47) **“Silo”** means silo declared as market sub-yard under Section 12 of this Act ;
- (48) **“Special Commodity Market Yard”** means a market yard as notified under Section 8 of this Act;
- (49) **“State”** means a State as specified in First Schedule to the Constitution of India;
- (50) **“Trader”** means, a person who buys notified agricultural produce including livestock either for himself or as an agent of one or more persons for the purpose of selling, processing, manufacturing or for any other purpose, as the case may be, except for the purpose of domestic consumption;
- (51) **“Year”** means the year as may be notified by the State Government;
- (52) **“Warehouse”** in relation to Market Yard means warehouse declared as market sub-yard under Section 12 of this Act”.

CHAPTER-II

ESTABLISHMENT OF MARKETS

Notification of intention of regulating marketing of specified agricultural produce and livestock.

3. (1) The State Government may, by notification in the official gazette, declare its intention of regulating the marketing of such agricultural produce and livestock, in the State, as may be specified in the notification. The notification may be brought to the notice of the interested public by publishing in local language and English on widely circulated platforms, media like newspapers, websites and such other formats:

Provided that no area within the limits of a municipality shall be included for regulation under this Act except after consultation with the municipal Board or municipal council, as the case may be.

(2) The notification under sub-section (1) shall state that any objections or suggestions which may be received by the State Government within such period as shall be specified in the notification, not being less than thirty days, will be considered by the State Government.

(3) State Government may hold consultations with Local bodies, and autonomous district councils, who own and operate rural periodical markets or haats or any other such markets for marketing of agricultural produce and livestock within their jurisdictional area, to bring such markets under the regulation of this Act, so as to develop these markets to efficiently function as marketing platform nearest to the farm gate.

Declaration of whole State as one unified market area.

4. Subject to the notification made under Section 3 and after considering such objections and suggestions as may be received from any source before expiry of such period, the State Government may, by another notification, declare the whole State as one unified market area as specified in the notification issued under Section 3 for the purpose of regulation of marketing of all or any of the kinds of agricultural produce and livestock specified in the notification issued under Section 3 under this Act.

Explanation: The area so declared shall be a single unified market area for the whole State for regulation of marketing of notified agricultural produce and livestock.

Notification of delineated market area.

5. Subject to the provision made in Sections 3 and 4, State Government may, by further notification, delineate geographical area for a Market Committee as a delineated market area for the purpose of election of the Members of such Market Committee and undertaking developmental activities therein.

Explanation: The Market Committee shall not regulate marketing of notified agricultural produce and livestock in its delineated market area. The Market Committee will enforce regulation on marketing of notified agricultural produce and livestock within the principal market yard, sub-market yard(s) and market sub-yard(s).

Alteration or Amalgamation of delineated market area and of items of agricultural produce and livestock.

6. (1) Subject to the procedure specified in Sections 3 and 5, State Government may, at any time by notification, exclude from any delineated market area, any area or include therein an additional area or split one delineated market area in two or more such areas or amalgamate two or more such areas in one delineated market area, or may exclude any notified agricultural produce and livestock from regulation, or include any agricultural produce and livestock, hitherto not regulated, for regulation under this Act.

(2) After the alteration of delineated market area or items of agricultural produce and livestock, if any, under Section 6, it shall not be necessary for the Director to make any declaration under this section unless he is of the opinion that it is necessary to declare any area, hitherto not declared, as delineated market area of any Market Committee.

Principal market yard, sub-market yard, market sub-yard, private market yard, private market sub-yard, farmer-consumer market yard, private farmer-consumer market and electronic trading platform.

7. (1) In a State, there may be-

- (a) principal market yard(s) managed by the Market Committee;
- (b) sub-market yard(s) managed by the Market Committee;
- (c) market sub-yard(s) managed by the Market Committee;
- (d) private market yard(s) managed by a person, holding a licence under Section 10 ;
- (e) private market sub-yard(s) managed by a person, holding a licence under Section 12 ;
- (f) farmer-consumer market yard(s) managed by the Market Committee;
- (g) private farmer-consumer market yard(s) managed by a person, holding a licence under Section 11 ;
- (h) electronic trading platforms.

(2) The State Government shall, as soon as possible after the issue of notification under Sections 4 and 5, by a notification, declare any 'place' in the delineated market area as principal market yard or sub-market yard or market sub-yard or farmer-consumer market yard, as the case may be, managed by a Market Committee, for the purpose of regulation of marketing of notified agricultural produce and livestock, expressly or impliedly in physical, electronic or other such mode, under this Act.

Explanation: In this sub-section (2), the expression 'place' shall include any structure, enclosure, open space locality, street including warehouse, silos, pack

house, cleaning, grading and packaging and processing unit vested in the Market Committee of the delineated market area.

(3) The State Government may, by notification, declare a 'place', licenced under Section 73, to be private market yard, private market sub-yard, private farmer-consumer market yard, as the case may be, for marketing of notified agricultural produce and livestock, expressly or impliedly in physical, electronic or other such mode, under this Act.

Explanation: In this sub-section (3), the expression 'place' shall include any structure, enclosure, open space locality, street including warehouse, silos, pack house, cleaning grading and packaging and processing unit vested in the person licenced for the purpose under this Act.

Establishment and notification of "Special Commodity Market Yard".

8. (1) State Government may designate any existing market yard established under sub-section (2) of Section 7 as "Special Commodity Market Yard" or establish and notify any market yard as "Special Commodity Market Yard" after consideration of such aspects as throughput of particular agriculture produce and livestock and special infrastructure requirements therefore. It may be-

(i) fruits, vegetables and flowers markets, including onion market, apple market, orange market and other such market;

(ii) cotton market;

(iii) medicinal and aromatic plants market;

(iv) livestock market including camel market, fish market, poultry market and other such market; and

(v) any other such markets.

(2) All provisions for and in relation to the Market Committee made in the Act shall *mutatis mutandis* apply to the Market Committee established for "Special Commodity Market Yard".

Establishment and notification of "Market Yard of National Importance (MNI)".

9. State Government may designate and notify any existing market yard established under Section 7 (2) as "Market Yard of National Importance" or establish and notify any market as "Market Yard of National Importance" after consideration of such aspects as total throughput, value, upstream catchment area, down-stream number of consumers served and special infrastructure requirements therefore:

Provided that the market yard handling not less than such annual tonnage or such annual value, as may be prescribed, may be considered for conferring the status as the "Market Yard of National Importance";

Provided further that out of such annual tonnage or such annual value, 30 percent may arrive from not less than two other States.

Establishment of private market yard.

10. (1) Subject to such reasonable conditions and such fee as may be prescribed, the Director or the Officer authorized by him may grant a licence to a person to establish a private market yard, for trading of notified agricultural produce and livestock.

(2) The private market yard licensee, or its management committee, by whatever name it is called, may register commission agents and other market functionaries to operate in the licenced private market yard.

(3) The private market yard licensee, or its management committee, may collect user charge on notified agricultural produce and livestock transacted in the private market yard, at the rate *ad valorem* not exceeding the rate as notified by the State Government.

(4) The private market yard licensee shall contribute, of such user charge collection and registration fee, to the separate "Revolving Marketing Development Fund" maintained by the Director at the rate in percentage at par with Market Committee.

(5) The Director will spend the money from such Fund under sub-section (4) in development of common marketing infrastructure, skill development, training, research and pledge financing and such other activities as will aid in creating an efficient marketing system in the State/country.

(6) The private market licensee shall formulate a Standard Operating Procedure (SOP) for conduct of business and activities ancillary thereto in the licenced private market yard.

Establishment of farmer-consumer market yard (direct sale of agricultural produce by farmer to consumer in retail).

11. (1) Subject to such terms and conditions and fee, as may be prescribed, by the Director or the Officer authorized by him, may grant licence to a person to establish farmer-consumer market yard for marketing of specified agricultural produce in retail.

(2) Such farmer-consumer market yard may be established by a person by developing infrastructure, as may be prescribed, and at a place accessible to both farmer(s) and consumer(s):

Provided that the consumer shall not purchase more than such quantity of agriculture produce at a time in this market, as may be prescribed.

(3) The farmer-consumer market yard licensee may collect the user charge on the sale of agriculture produce from the seller and amount so realized shall be retained by farmer-consumer market yard licensee:

Provided further that the State Government in public interest may from time to time, by notification, put ceiling on the rate of collection of user charge.

Declaring warehouse/silos/cold storage or other such structure or place as market sub-yard.

12. (1) Save as otherwise provided in this Act, the State Government may, by notification declare warehouse, silos, cold storage or other such structure or place with infrastructure and facilities as prescribed, to function as market sub-yard.

Explanation: the expression 'place' under this sub-section shall include any structure, enclosure, open space, locality, street including pack house, cleaning

grading and processing unit etc.

(2) The owner of such warehouse, cold Storage, or other such structure or 'place', as the case may be, desirous of declaration of such place as market sub-yard under sub-section (1), shall apply to the Director or an Officer authorized by him, in such form and in such manner and such fee; and also for such period but not less than three years, as may be prescribed.

(3) The licensee of such ware house, silos, cold storage or other such structure or place, may collect user charge on notified agricultural produce transacted at the declared market sub-yard under Section 12, at the rate *ad valorem* not exceeding the rate as notified by the Director or Board:

Provided that no user charge shall be collected from agriculturist-seller.

(4) A declared market sub-yard licensee shall contribute, of such user charge collection, to the separate "Revolving Marketing Development Fund" maintained by the Director at the rate in percentage at par with Market Committee. The Fund will be utilized for the purposes and in the manner *mutatis mutandis* to Section 10 (5) of this Act.

**Direct marketing
(wholesale direct
purchase from farmers
outside the market
yard, sub- market yard,
private market yard).**

13. (1) Collection or aggregation centres in the proximity of the production areas may be setup by a person with infrastructure, as may be prescribed, with linkages to retail chain, or processing, export unit or premises, or any other such unit or premises, as may be prescribed, in accordance with the provisions of this Act and Rules made thereunder for marketing of notified agricultural produce.

(2) Notwithstanding anything contained under sub-section (1), direct wholesale purchase can also be carried out outside the principal market yard, sub-market yard, market sub-yard, private market yard by declaring the place of such purchase, without establishment of any permanent collection or aggregation centre, as may be prescribed.

(3) Direct marketing licensee shall have to maintain records and all accounts relating to daily trade transactions and shall submit monthly report, as may be prescribed, to the Licensing Authority.

(4) The Licensing Authority can seek any type of additional information from the direct marketing licensee; and can also inspect and issue direction relating to functioning of such whole sale purchases and the activities incidental thereto.

(5) The direct marketing licensee shall be liable to pay one-fourth of the applicable market fee on whole sale purchases made. The licensee shall deposit the due amount towards "Revolving Marketing Development Fund" maintained by the Director for the month by seventh day of the next month. The Fund will be utilized for the purposes and in the manner *mutatis mutandis* to sub-section (5) of Section 10 of this Act.

(6) Notwithstanding anything contained in the Essential Commodities Act, 1955 and Control Orders issued thereunder or any other law for the time being in force, the provision of stock limit shall not be applicable on such direct marketing licensee purchasing the agricultural produce for processing or export

to the extent of his or its annual capacity of processing or export. However, in case any dispute arises between the provisions of this Act and Essential Commodities Act, 1955, the latter shall prevail.

CHAPTER-III

CONSTITUTION OF MARKET COMMITTEE

**Establishment of
Market Committee and
its incorporation.**

14. (1) For every delineated market area, there shall be a Market Committee consisting of a Chairman and other Members.

(2) Every Market Committee established under this Act shall be a body corporate by such name as the State Government may, by notification, specify. It shall have perpetual succession and a common seal and may sue and be sued in its corporate name and shall, subject to such restrictions as are imposed by or under this Act, be competent to contract, acquire, hold, lease, sell or otherwise transfer any property, both immovable and movable and to do all other things necessary for the purpose for which it is established:

Provided that no immovable or moveable property the value of which exceeds the prescribed limits shall be acquired or disposed of by the Market Committee without the prior permission of the Board;

Provided further that the Board may, for the reason to be recorded in writing, revoke such permission before the completion of the acquisition or execution of the deed, as the case may be;

Provided also that Market Committee may, with the prior approval of the Board and after obtaining valuation certificate from the prescribed officer, enter into agreement with the owner of any land or building and purchase such land or building.

(3) Notwithstanding anything contained in any enactment for the time being in force, every Market Committee shall for all purposes, be deemed to be a Local Authority.

(4) The Market Committee shall be classified by the Director, subject to the prescribed guidelines, considering through put and other consideration as the Director deems fit, for the purpose of laying down the norms for staff, establishment expenditure and other expenses and allowances required therefore.

**Vesting of property of
Local Authority in
Market Committee.**

15. (1) The Market Committee may require a Local Authority to transfer to it any land or building belonging to the Local Authority which is situated within the delineated market area and which, immediately before the establishment of the market yard was being used by the Local Authority for the purposes of the market and the Local Authority shall within one month of the receipt of the requisition, transfer the land and or

building, as the case may be, to the Market Committee on such terms as may be agreed between them.

(2) Where within a period of thirty days from the date of receipt of requisition by the Local Authority under sub-section (1) no agreement is reached between the Local Authority and the Market Committee under the said sub-section, the land or building required by the Market Committee shall vest in the Market Committee for the purposes of this Act and the Local Authority shall be paid such compensation as may be determined by the Deputy Commissioner under sub-section (5):

Provided that no compensation shall be payable to a Local Authority in respect of any land or building which had been vested in it by virtue of the provision contained in the enactment relating to the Constitution of such Local Authority without payment of any amount whatsoever may be, for such vesting;

Provided further that any party aggrieved by the order of the Deputy Commissioner may within thirty days from the date of such order, appeal to the State Government.

(3) The Local Authority shall deliver possession of the land or building vesting in the Market Committee under sub-section (2) within a period of seven days from such vesting and on failure of the Local Authority to do so, within the period aforesaid, the Deputy Commissioner shall take possession of the land or building and cause it to be delivered to the Market Committee.

(4) The Deputy Commissioner shall fix the amount of compensation for the land or building having regard to-

- (i) the annual rent for which the building might reasonably be expected to be let from year to year;
- (ii) the condition of the building;
- (iii) the amount of compensation paid by the Local Authority for the acquisition of such land; and
- (iv) the cost of the present value of any building erected or other work executed on the land by the Local Authority.

(5) The compensation fixed under sub-section (4) may, at the option of the Market Committee, be paid in lump sum or in reasonable number of equal installments with interest thereon as the Deputy Commissioner may fix.

Acquisition of land for Market Committee and/or Board.

16. (1) When any land within the delineated market area is required for the purposes of this Act, and the Board or the Market Committee is unable to acquire it by agreement, the State Government may, at the request of the Board or the Market Committee, as the case may be, proceed to acquire such land under the provisions of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and on the payment of the applicable compensation awarded under that Act by the Board or Market Committee and of any other charges incurred by the State Government in connection with the acquisition, the land shall vest in the Board or the Market Committee, as the case may be:

Provided that once a proposal is made by the Market Committee, it shall not be withdrawn by it except for such reasons as may be approved by the State Government.

(2) The Board or the Market Committee shall not, without the previous sanction of the State Government, transfer any land which has been acquired for this purpose by the Board or the Market Committee under sub-section (1) or divert such land to a purpose other than the purpose for which it has been acquired:

Provided that the premises used for principal market yard, sub-market yard or for the purpose of the Board shall not be deemed to be included in the limits of the Municipal Corporation, District Council, as the case may be.

Constitution of the first Market Committee

17. (1) The first Market Committee shall be constituted, for the first time for a delineated market area declared after commencement of this Act, all the members thereof including Chairman, shall be nominated by the State Government. The first Market Committee so constituted may consist of Members including Chairman, not less than fifteen, which may include six to ten agriculturist members, as may be prescribed. Other five Members may be:-

- (i) four Members, one each from departments of agriculture or horticulture, cooperation, animal husbandry and veterinary and agricultural marketing of State Government;
- (ii) one from cooperative marketing society; and
- (iii) one from Local Authority of a place where the Market Committee is located.

Provided that the Chairman shall be so nominated from amongst the agriculturist members.

(2) State Government or the Director shall, by an order, appoint a person to be the Officer-in-charge of the first Market Committee for a period not exceeding one year:

Provided that in the event of death, resignation, leave or suspension of the officer-in-charge, a casual vacancy shall be deemed to have occurred

in such office and such vacancy shall be filled, as soon as may be, by appointment of a person thereto by the State Government and until such appointment is made, a person nominated by the Director shall act as Officer-in-charge. The services of Officer-in-charge shall be co- terminus with the first Market Committee.

(3) The members including the Chairman of the first Market Committee constituted under sub-section (1) shall hold office for a period not exceeding one or two year, from the day of notification of constitution of the committee:

Provided that if new Market Committee is constituted before the expiry of period aforesaid, Members including the Chairman shall cease to function on the date appointed for the first general meeting of the newly constituted Market Committee;

Provided further that the State Government or the Director may, on proven misconduct, even before expiry of the period aforesaid, dismiss any Member including the Chairman. In such event, a casual vacancy shall be deemed to have occurred and such vacancy shall be filled, as soon as may be, by nomination of a person thereto, as the case may be, by the State Government.

Constitution of the second and subsequent Market Committee.

18. (1) Save as provided in Section 17, a Market Committee constituted for a term of five years from the date of notification of its constitution, shall consist of—

(a) a Chairman elected under Section 23;

(b) six to ten representatives of agriculturists possessing such qualifications, as may be prescribed, under the rules made thereunder:

Provided that no agriculturist may be qualified to be elected or nominated as representative of agriculturists of the second Market Committee unless he has sold his agricultural produce and livestock at least once in preceding one year, or five times in five years for subsequent Market Committee, in the principal market yard or sub-market yard falling in the delineated market area.

(c) Two representative of traders resident of a delineated market area, possessing such qualifications, as may be prescribed, elected or nominated from amongst the licenced traders resident of such delineated market area:

Provided that no trader shall be a representative of more than one Market Committee at a time;

Provided that no trader shall be a representative of more than one Market Committee at a time.

(d) One representative of licenced commission agent, possessing such qualifications, as may be prescribed, nominated from amongst the licence holder commission agents, granted by the Market Committee:

Provided that no commission agent shall be a voter of more than one Market Committee at a time;

Provided further that he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

(e) One representative of the weighmen, hammals and other market functionaries, possessing such qualifications, as may be prescribed, elected from amongst the licence holder weighmen, hammals and other market functionaries, granted by Market Committee:

Provided that no weighmen, hammals and other market functionaries shall be a voter of more than one Market Committee at a time;

Provided further that he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

(2) Every Market Committee will have following other committee Members-

(a) One representative of the co-operative marketing society functioning in the delineated market area who shall be elected by the managing committee of such society:

Provided that if more than one such society functions in the delineated market area, such Member shall be nominated by all the Members of the managing committees of such societies;

Provided further that nothing in this clause shall apply if the managing committee of any society stands superseded under the provisions of the State Co- operative Societies Act.

(b) An officer of the agriculture or horticulture, department of the State Government to be nominated by the State Government, Directorate of Agriculture or Horticulture;

(c) One representative of the District Council from the place where the Market committee is located.

(3) Only Members under sub-section (1) shall have a right to vote.

(4) State Government may make Rules for the preparation of voters' list and conduct of election.

(5) Every election and nomination of the Member shall be notified by the State Govt. in the official gazette.

(6) No person may be Member of the Market Committee more than two terms.

Division of delineated market area for constituencies and reservation of seat.

19. (1) The Deputy Commissioner shall, by notification or otherwise, divide a delineated market area into as much number of constituencies equal to the number of the representatives of the agriculturist to be chosen from such area but not less than ten.

(2) In case of direct election for agriculturist Members to a Market Committee, reservation of seats for scheduled castes, scheduled tribes, other backward classes and women will be as per the Government policy, as may be prescribed.

Qualification to vote and be the representative of agriculturist.

20. (1) Every person-

(a) whose name is entered as land owner in the village land records or is a tenant as per the State's respective Land Reforms Act;

(b) who has completed the age of eighteen years; and

(c) whose name is included in the voter's list prepared under the provisions of this Act and the Rules made there under, shall be qualified to vote at the election of a representative of agriculturists:

Provided that no person shall be eligible to vote in more than one constituency.

(2) No person shall be qualified to be elected as a representative of agriculturists unless-

(a) his name is included in the list of voters as agriculturist of the delineated market area;

(b) he is otherwise not disqualified for being so elected under the provisions of this Act or any other law for time being in force.

(3) No person shall be eligible for election for more than one Market Committee or constituency as the case may be.

Provision for election.

21. Subject to the provisions of this Act, the Chairman, Members of the Market Committee shall be elected in the manner prescribed in the Rules. Such Rules may provide also for preparation and maintenance of

the lists of voters and their qualification and disqualification, the payment of deposits and their forfeitures, reservation of seats and all matters connected thereto.

**Superintendence,
direction and control of
elections.**

- 22.** (1) Subject to the directions of the Director, the superintended, direction and control of the preparation of the lists of voters for and the conduct of all elections to the Market Committee, shall be vested in the District Collector.
- (2) State Government shall make available to the District Collector such staff and Funds as may be necessary for the discharge of the functions and responsibilities conferred on Deputy Commissioner under this Act.
- (3) All expenditure in connection with or incidental to the election of Chairman, and Members to the Market Committee shall be met from the consolidated Fund of the State.
- (4) Notwithstanding anything contained in any law for the time being in force, State Government or State Election Commission or any other body authorized therefore may issue instructions relating to all matters connected with elections to the Market Committee including directions for cancellation of the calendar of events or postponement of polls.

Election of Chairman.

- 23.** (1) Every person shall, unless disqualified under the provisions of this Act or any other law for time being in force, as the Chairman of the Market Committee, be qualified to be elected by direct election by the persons qualified to vote for the election of representatives of agriculturists under Section 20, traders, commission agents and other market functionaries under Section 18:
- Provided that no person shall be eligible for election as Chairman unless he is qualified to be elected under Section 20.
- (2) Reservation of seats to election of the Chairman for scheduled castes, scheduled tribes, other backward classes and women will be as per the Government policy, as may be prescribed.
- (3) No person shall be eligible to contest election simultaneously for office of the Chairman and a Member.
- (4) If any delineated market area fails to elect a Chairman, fresh election proceedings shall be initiated to fill the office within six months:
- Provided further that pending the election of Chairman under this sub-section, the officer authorized by the Director shall discharge all the functions of the Chairman.

**Term of the office of
Chairman and
Members.**

24. (1) The Chairman and elected Member shall, save as otherwise provided in this Act, hold office for term of five years from the day of assuming the office or till the continuation of Market Committee, whichever is earlier.

(2) Notwithstanding anything contained in sub-section (1), a person who is a nominated Member of Market Committee by virtue of being a representative of co-operative marketing society, agriculture or horticulture department and District Council as the case may be, shall cease to be such member on his ceasing to be a Member of the managing committee of the society or District Council concerned by efflux of his term of office or otherwise, or re-nomination by the department, as the case may be.

**Commencement of
terms of office of
Chairman and
Members.**

25. (1) The term of office of the Chairman and Members of a Market Committee shall commence on the date immediately after the expiry of the term of office of the outgoing office bearer of the Market Committee or on the date of first meeting of the committee convened.

(2) When not less than half of representative of agriculturists, and not less than half of total Members to the Market Committee are available to function as Members after general election or at any time, the Market Committee shall, notwithstanding anything contained in this Act, be deemed to be duly constituted or duly functional, and such Market Committee shall be competent to exercise the powers and perform the functions of the Market Committee.

**Resignation of
Members.**

26. A Member of the Market Committee other than *ex officio* Member may resign from his membership in writing delivered or caused to be delivered to the Chairman of the Market Committee who shall acknowledge the receipt of same and the seat of such Member shall be come vacant on the expiry of fifteen days from the date of acknowledgement of resignation unless within such period such Member withdraws his resignation in writing addressed to the Chairman.

**Resignation by
Chairman and vacancy
in his office.**

27. (1) The Chairman may resign from his office at any time in writing addressed to the Director, incharge of agricultural marketing and the office shall become vacant on the expiry of fifteen clear days from the date of such resignation, unless within the said period of fifteen days he withdraws the resignation in writing addressed to the Director in-charge of the agricultural marketing.

(2) During the vacancy caused by resignation, death, removal or otherwise in the office of the Chairman, such member of the Market

Committee as the Director may appoint, shall exercise the powers and perform the functions of the Chairman till the Chairman is duly elected.

**No confidence motion
against Chairman.**

28. (1) A motion of no confidence may be moved against the Chairman at a meeting specially convened for the purpose under sub-section (2), and if the motion is passed by a majority of the total Members of the Committee and not less than two-third of the Members present and voted cease to be the Chairman.

(2) For the purpose of sub-section (1) a meeting of the Market Committee shall be held in the prescribed manner within thirty days of the date of receipt of the notice of motion of no confidence. No *ex-officio* Member of the Market Committee shall move the notice of no confidence. The *ex-officio* Member shall also not have power to vote on "no confidence motion" brought.

(3) The Chairman shall not preside over the meeting but such meeting shall be presided over by an Officer which the Director may, appoint for the purpose. However, the Chairman, shall have the right to speak and other wise to take part in the proceedings of the meeting.

(4) If the motion of no confidence is not accorded as aforesaid or if the meeting could not be held for want of quorum, no notice of any subsequent motion expressing vote of confidence in the same Chairman shall be made until after the expiry of six months from the date of such scheduled meeting.

**Leave of absence to
Chairman and
consequences of
absence without leave.**

29. (1) Subject to the Rules made in this behalf, every Chairman who absents himself from three consecutive meetings of the committee, without leave of the Director in-charge of agricultural marketing, shall cease to be the Chairman on and from the date on which such third meeting is held.

(2) Leave under sub-section (1) shall not be granted for six consecutive meetings of the Market Committee. Whenever such leave in extreme exigencies as prescribed is granted to the Chairman, the Market Committee shall elect or nominate such eligible members to discharge the duties and functions as Chairman of the Market Committee.

**Refusal to hand over
the charge to new
Chairman.**

30. (1) On election of the Chairman, the outgoing Chairman shall forthwith hand over the charge of his office to the successor in office.

(2) If the outgoing Chairman fails or refuses to hand over the charge of his office, under sub-section (1), the Director or any Officer authorized by him in this behalf may, with prior approvable of the Director incharge of agricultural marketing, by order in writing direct the outgoing

chairman, forthwith to hand over the charge of his office together with all records, Funds and property of the Market Committee, if any, in his possession.

(3) If the outgoing Chairman to whom a direction has been issued under sub-section (2) does not comply with such direction, the Director or any Officer authorized in this behalf shall have the same powers as are vested in a Civil Court under the code of Civil Procedure, 1908 (5 of 1908) while executing a decree.

Seizure and taking possession of record and property of Market Committee under certain conditions.

31. (1) Where the Director or Managing Director is satisfied that the books and records of a Market Committee are likely to be suppressed, tampered with or destroyed, or the funds and property of a Market Committee are likely to be misappropriated or misapplied, the Director or Managing Director may order for seizure and taking possession of the record and property of the Market Committee.

(2) On receipt of the Order under sub-section (1), the police officer not below the rank of Sub-Inspector of the local area shall enter and search any place where the records and property are kept or are likely to be kept and to seize them and hand over possession thereof to the Director or Managing Director or the person authorized by him, as the case may be.

Establishment and Composition of Market Committee of MNI.

32. (1) Save as provided under Section 14 (1), the State Government may, by notification, constitute a separate Market Committee for effective implementation of provisions of this Act for such market yard(s) located in the State which is or are considered as the Market Yard(s) of "National Importance" (MNI).

(2) All provisions for and in relation to the Market Committee, including nomination of Chairman and Members made in the Act, shall *mutatis mutandis* apply to the Market Committee constituted for "Market yard of National Importance".

(3) Save as provided under Section 18, Market Committee of Market Yard of National Importance shall consist of—

(i) Chairman -1

(ii) Agriculturist six to ten including 2 agriculturists one each from two other States where from arrivals are received in the MNI (to be nominated by respective State Governments on receipts of requests for such nomination received from the Govt. where MNI is located).

(iii) Trader holding the single unified licence, resident of a delineated market area, possessing such qualifications, as may be prescribed, nominated from amongst the licenced traders

- resident of such delineated market area-1
- (iv) Trader holding the inter-state trading licence nominated by State Government, as may be prescribed-1
- (v) One representative of licenced/registered commission agent as member, as may be prescribed-1
- (vi) Agricultural Marketing Adviser to the Government of India or his nominee not below the rank of Under Secretary to Government of India-1
- (vii) Chief Executive Officer or the Municipal Commissioner of the area or his nominee-1
- (viii) Chief Town Planner or the authority exercising such powers or his nominee-1
- (ix) Director or his nominee (*ex-officio*) not below the rank of Under Secretary to the Government of India-1
- (x) M.D., SAMB (*ex-officio*) or his nominee not below the rank of Under Secretary to the Government of India-1
- (xi) Executive Member (to be appointed by the State Government, who shall function as the Secretary or Chief Executive Officer of Market Committee of MNI)—1

Appointment and functions of Secretary of the Market Committee of MNI.

33. The Secretary functioning as Chief Executive Officer of the Market Committee shall be appointed by the State Government from amongst the State's Civil Service Officers at least with ten years of service or from the panel of professionals so maintained or on deputation from State Government with experience of ten years in agricultural marketing.

Executive Committee of MNI.

34. (1) The Executive Committee for MNI shall consist of-
- (i) Chairman of MNI-1
 - (ii) Trader holding the single unified licence of MNI-1
 - (iii) Director in charge of Agricultural Marketing or his nominee (*ex-officio*) not below the rank of Under Secretary to Government of India-1
 - (iv) M.D., SAMB (*ex-officio*) or his nominee not below the rank of Under Secretary to Government of India-1
 - (v) Executive Member of the Market Committee of MNI who shall be as the member Secretary of the Executive Committee-1
- (2) In case of emergency, the executive committee may decide issues requiring approval of the Market Committee. However, such decisions shall be approved by the Market Committee within forty five days from the date such decisions are taken. Failure in doing so or in event of disapproval of such decisions by the market committee, such decision shall stand null and void, so however, that any such disapproval shall be without prejudice to the validity of anything previously done under that decision:

Provided that if the Market Committee makes any modifications in such decision, the decision shall have effect only in such modified from the date of such modification.

(3) The Executive Committee shall meet as often as necessary but at least once in a calendar month.

Term of office of Members of the Executive Committee of MNI.

35. The Members of the Executive Committee shall hold the office during the pleasure of the State Government.

Other provision of this Act also to apply to Market yard of National Importance.

36. All other provisions of this Act, not specified for "Market Yard of National Importance", shall *mutatis mutandis* apply to MNI established and notified under Section 9 of this Act.

CHAPTER-IV

CONDUCT OF BUSINESS AND POWERS AND DUTIES OF CHAIRMAN, SECRETARY AND MARKET COMMITTEE

Powers and duties of Chairman.

37. (1) Without prejudice to the powers conferred under any other provision of this Act, the Chairman of the Market Committee shall be the chief controlling and supervising officer of the Market Committee.

(2) The Chairman shall-

(a) preside over the meetings of the Market Committee and the sub-committees and conduct business of such meetings;

(b) watch over the financial, developmental and executive administration; and

(c) in case of emergency, direct the execution of stop page of any work or the doing of any act which requires the sanction of the Market Committee.

Powers and duties of Vice-Chairperson.

38. The Vice-Chairperson of the Market Committee shall-

(a) save as otherwise provided in this Act or the Rules, in the absence of Chairman, preside over the meeting of the Market Committee; and

(b) exercise the powers and perform the duties of the Chairman pending the election of the Chairman or during the absence of the Chairman.

Meeting etc. of the Market Committee.

39. A Market Committee shall meet for the transaction of its business at least once in every month on such date and at such time, as the Chairman may determine:

- Provided that the Market Committee may, in special circumstances meet at any time and at any place in the delineated market area, as may be prescribed.
- Quorum and procedure at meeting.**
40. One-third of the total number of Members of Market Committee shall form a quorum for transacting the business at a meeting of the committee. The procedure of the meeting will be followed, as may be prescribed.
- Powers and duties of the Market Committee.**
41. (1) Subject to the provisions of this Act, it shall be the duty of the Market Committee-
- (i) To implement the provisions of this Act, the Rules and the Bye-laws made there under in the principal market yard, sub-market yard(s) and market sub-yard(s) vested in it.
 - (ii) To provide such facilities for marketing of notified agricultural produce including livestock therein as the Director/Managing Director or the State Government may from time to time direct.
 - (iii) To perform such other acts as may be required in relation to the superintendence, direction and control of principal market yard, sub-market yard(s) and market sub-yard(s) or for facilitating marketing of notified agricultural produce including livestock therein, and for the purposes connected with the matters aforesaid, and for that purpose may exercise such powers and discharge such functions as may be provided by or under this Act.
 - (iv) To do all such other acts to bring about complete transparency in pricing system and transactions taking place in the principal market yard, sub-market yard (s) and market sub-yard(s) vested in it.
- (2) Without prejudice to the generality of the foregoing provisions, Market Committee shall -
- (i) maintain and manage the principal market yard, sub-market yard(s) and market sub-yard(s) vested in it within the delineated market area;
 - (ii) provide the necessary facilities for the marketing of notified agricultural produce including livestock within the principal market yard, sub-market yard(s) and market sub-yard(s) vested in it in the delineated market area;
 - (iii) grant or renew a licence to market functionaries, except traders, or refuse it to do so;
 - (iv) suspend or cancel licence granted/renewed to market functionaries, except traders, and supervise the conduct of the market functionaries and enforce conditions of licence;
 - (v) regulate or supervise the auction, including e-auction of notified agricultural produce including livestock in accordance with the provision and procedure laid down under the Rules made under this Act or Bye-laws of the Market Committee;

- (vi) regulate the making, carrying out and enforcement or cancellation of agreements of sales, weighment, delivery, payment and all other matters relating to the market of notified agricultural produce including livestock in the manner prescribed;
- (vii) provide for the settlement of all disputes between the seller and the buyer arising out on any kind of transaction, including on line, connected with the marketing of notified agricultural produce including livestock and all matters ancillary thereto;
- (viii) promote Public Private Partnership for carrying out extension activities in its delineated market area viz., collection, maintenance and dissemination of information in respect of production, sale, storage, processing, prices and movement of notified agricultural produce;
- (ix) take measures for the prevention of purchases and sales below the minimum support prices as fixed by the State government from time to time;
- (x) levy, take, recover and receive rates, charges, fees and other sums of money to which the Market Committee is entitled;
- (xi) employ the necessary number of Officers and servants for the efficient implementation of the provisions of this Act, the Rules and the Bye- laws as prescribed;
- (xii) prosecute persons for violating the provisions of this Act, the Rules and the Bye-laws and compound such offences;
- (xiii) acquire land and dispose of any moveable or immovable property for the purpose of efficiently carrying out its duties;
- (xiv) impose penalties on persons who contravenes the provisions of this Act, the Rules or the Bye- laws or the orders or directions issued under this Act, the Rules or the Bye-laws by the Market Committee, its Chairman or by any Officer duly authorised in this behalf;
- (xv) institute or defend any suit, prosecution, action, proceeding, application or arbitration and compromise such suit, action proceeding, application or arbitration;
- (xvi) handle the issues relating to pay, pension, allowances, gratuities, contribution towards leave allowance, provident Fund of the officers and servants employed by the Market Committee in the manner prescribed;
- (xvii) administer Market Committee Fund referred to in Section-82 and maintain the account thereof in the prescribed manner;
- (xviii) carry out publicity about the benefits of regulation, the system of transaction, facilities provided in the principal market yard, sub-market yard(s), etc. through such means as poster, pamphlets, hoardings, cinema slides, film shows, group meetings, electronic media etc., or through any other means considered more effective or necessary; and
- (xix) ensure payment in respect of transactions which take place in the principal market yard, sub-market yard(s) and market sub-yard(s) or at e-platforms to be made on the same day to the seller or in the maximum next day, if procedurally so required. In default to make the

payment as aforesaid, provisions of Section 65(2) will apply. Save as provided in this clause, procedure of payment to the seller in case of e-trading will be *mutatis mutandis* to Section 59(2).

(3) Without prejudice to the generality of the forgoing provisions, Market Committee may –

- (i) take all possible steps to prevent adulteration of notified agricultural produce including livestock, if any;
- (ii) set up and promote Public Private Partnership in management of the agricultural markets;
- (iii) promote linking of consumers to farmers or their groups through appropriate digital technology;
- (iv) regulate the entry of persons and vehicles, traffic in to the principal market yard, sub-market yard(s) and market sub-yard(s) vesting in the Market Committee;
- (v) inspect and verify scales, weights and measures in use in a market yard, sub-market yard and market sub-yard vested in it and also the books of accounts and other documents maintained by the market functionaries in such manner as may be prescribed;
- (vi) arrange to obtain fitness (health) certificate from veterinary doctor in respect of animals, cattle birds etc., which are bought or sold in the principal market yards, sub-marker yard(s), and market sub-yard(s);
- (vii) recover the charges in respect of weighmen and hammals (loaders) and distribute the same to weighmen and hammals (loaders or unloaders) if not paid by the purchaser or seller as the ease may be;
- (viii) collect and maintain information in respect of production, sale, storage, processing, prices and movement of notified agricultural produce and disseminate such information as directed by Director or Managing Director or State Govt.
- (ix) reasonably act in the manner that traders do not hoard the agricultural produce and market functionaries may not form any cartel to jeopardize the interest of agriculturist–sellers.

(4) With the prior sanction of the Director or Managing Director, the Market Committee may undertake -

- (i) construction of internal or connecting roads, godowns and other infrastructure in the principal market yard, sub-market yard(s), market sub-yard(s) and delineated market area to facilitate marketing of agricultural produce including livestock and for the purpose give grant or advance Funds to the Board, or any other Department or undertaking of the State Government or any other agency authorized by the Managing Director;
- (ii) maintenance of stocks of fertilizer, pesticides, improved seeds, agricultural equipments, inputs for sale and establish Soil Testing Laboratories; and

(iii) to provide on rent storage facilities for stocking of agricultural produce to agriculturists.

(5) To promote and encourage e-trading, Market Committee may establish regulatory system, create infrastructure and undertake other activities and steps needed thereto.

(6) Market Committee may establish or allow to be established third party as saying or testing labs, and, therefore, constitute a committee, as may be prescribed, to promote as saying, grading and activities and services incidental thereto.

Appointment of sub-committee and delegation of powers.

42. Subject to such conditions and restrictions as may be prescribed, the Market Committee may appoint one or more sub-committees consisting of such Members of the committee, as it may think fit, for the performance of any of its duties or functions, as it may think fit to assign.

Power to borrow.

43. (1) The Market Committee may, with the previous sanction of the Managing Director, raise money from banks, financial institutions or issue debentures required for carrying out the purpose for which it is established on the security of any property vested in it and of any fees or user charge leviable by it under this Act.

(2) The Market Committee may, for the purpose of meeting the initial expenditure on lands, building, staff and equipments required for establishing the market, obtain a loan from the State Government or State Agricultural Marketing Board or other financial institution.

(3) The conditions subject to which money or loan under sub-section (2) shall be raised or obtained and the time within which the same shall be repayable shall be subject to the previous sanction of the State Government or Director or Managing Director.

Compounding of offences.

44. 1)The Market Committee may accept from any person who has committed or is reasonably suspected of having committed an offence (other than contravention of Section 64 against this Act or the Rules or Bye-laws, made thereunder by way of compounding of such offence—

(a) Where the offence consists of the failure to pay or the evasion of any fee or user charge, or other amount recoverable under this Act or the Rules or the Bye-laws in addition to the fee or user charge or other amount so recoverable a sum of money not less than the amount of the fee or other amount and not more than five times the amount of fee or other amount to the maximum extent of rupees ten thousand.

(b) In other cases a sum of money not exceeding ten thousand rupees.

(2) On the compounding of any offence under sub-section (1), no proceeding shall be taken or continued against the person concerned in respect of such an offence, and if any proceedings in respect of that offence have already been instituted against him in any court, the compounding shall have effect of his acquittal.

**Power to write off
irrecoverable fee etc.**

45. The Market Committee may write off any fee or user charge or amount whatsoever due to it, whether under a contract or otherwise, or any amount payable in addition there with if in its opinion such a fee/user charge or an amount is irrecoverable:

Provided that the Market Committee shall, before writing off any such fee or user charge, or amount obtain the sanction of the Managing Director, if the fee or amount exceeds rupees twenty five thousand.

**Power to remove
encroachment on
market yard.**

46. Any officer or servant of the Market Committee, empowered by the State Government in this behalf, shall have power to remove any encroachment in a space in the principal market yard, sub-market yard(s) and market sub-yard(s) vested in it and the expenses of such removal shall be paid by the person who has caused the said encroachment and shall be recovered in the same manner as arrears of land revenue.

**Use of weighing
instruments, weight
and measure, their
inspection.**

47. (1) Only electronic weighing instruments which also satisfy the requirements of such weights and measures as are prescribed by the State Controller of Weight and Measure Act and the Rules made thereunder shall be used for weighing or measuring agricultural produce including livestock, as required, in the principal market yard, sub-market yard(s), market sub-yard(s), private market yard(s) and farmer-consumer market yard(s):

Provided that in transactions of sale and purchase of agricultural produce including livestock, as the case may be, electronic balance shall preferably be used.

(2) Weighing instruments, weights and measures kept by the committee under this section may at any time be inspected; examined and checked by the controller weights and measures or his representative or any other officer duly authorised in this behalf by the Managing Director.

**Mode of making
contract.**

48. (1) Every contractor agreement entered into by a Market Committee for the purchase, sale, lease, mortgage or other transfer of, or acquisition of interest in immovable property shall, in writing, be executed on behalf of Market Committee jointly by its Chairman and the Secretary, with the sanction of the Market Committee, as may be prescribed.

(2) No contract other than a contract executed as provided in sub-section (1) shall be valid and binding on the Market Committee.

Act of Market Committee etc. not to be invalidated.

49. No act of Market Committee or of any sub-committee thereof or of any person acting as a Member, Chairman, presiding authority or the Secretary shall be deemed to be invalid by reason only of some defect in the constitution or appointment of such Market Committee, sub-committee, Members, Chairman, presiding authority or the Secretary or on the ground that they or any of them were disqualified for such office, or that formal notice of the intention to hold a meeting of the committee or of the sub-committee was not given duly or by reason of such Act having been done during the period of any vacancy in the office of the Chairman or the Secretary or Member of such committee or sub-committee or for any other informality not affecting the merits of the case.

CHAPTER–V

STAFF OF MARKET COMMITTEE

Secretary of Market Committee.

50. Every Market Committee shall have a Secretary, who shall be the chief executive of the Market Committee administering principal market yard, sub-market yard(s) and market sub-yard(s) vested in it and the custodian of all the records and properties of the principal market yards, sub-market yard(s) and market sub-yard(s) in the delineated market area:

Provided that the Secretary should be graduate in agriculture or horticulture, agricultural economics or marketing or agribusiness and has also undergone minimum three months in-service training or such training undertaken after recruitment;

Provided further that the Director or Managing Director may maintain a panel of professionals, which may include professionals from open market, for appointing to the post of Secretary to the Market Committee, as may be prescribed in the Rules. The Director or Managing Director shall have powers to appoint Secretary from the services of the State Government and on deputation also and such appointments shall be binding on the Market Committee.

Powers, functions and duties of the Secretary.

51. The Secretary shall exercise and perform the following functions and duties in addition to such other duties as may be specified in this Act, the Rules or Bye-laws, namely-
- (i) To convene the meetings of the Market Committee and of the sub-committees, if any, and maintain minutes of the proceedings thereof.
 - (ii) To attend the meetings of the Market Committee and of every sub-committee and take part in the discussions but shall not move any resolution or vote at any such meeting.
 - (iii) To take action to give effect to the resolution of the committee and of the sub-committees, and report about all actions taken in pursuance of such resolution to the committee as soon as possible.
 - (iv) To prepare the budget proposal.
 - (v) To furnish to the Market Committee such returns, statements,

estimates, statistics and reports as the Market Committee may from time to time, require including reports regarding-

- (a) fines and penalties levied on and any disciplinary action taken against the Members of the staff and the market functionaries and others;
- (b) over-trading by any trader;
- (c) contravention of the provisions of the Act, the Rules, the Bye-laws, the standing orders by any person;
- (d) suspension or cancellation of licence by the Chairman or the Director; and
- (e) administration of the Market Committee and the regulation of the marketing in the principal market yard, sub-market yard(s) and market sub-yard(s).
- (vi) To produce before the Market Committee such documents, books, registers and the likes as may be necessary for the transaction of the business of the committee or the sub-committee, and also whenever called upon by the Market Committee to do so.
- (vii) To exercise supervision and control over the acts of all officers and servants of the Market Committee.
- (viii) To collect fees or user charge and other money leviable by or due to the Market Committee.
- (ix) To be responsible for all money credited to or received on behalf of the Market Committee.
- (x) To make disbursements of all money lawfully payable by the Market Committee.
- (xi) To report to the Chairman or Director or Managing Director as soon as possible in respect of fraud, embezzlement, theft or loss of Market Committee Fund or property.
- (xii) To prefer complaints in respect of prosecutions to be launched on behalf of the Market Committee and conduct proceedings, civil or criminal, on behalf of the Market Committee.

Appointment of Accountant.

52. The Director or Managing Director may, with such qualification as may be prescribed in Rules or Bye-laws, appoint an accountant, who shall be responsible for maintenance of books of accounts of the Market Committee and assist the Secretary in discharge of his duties and perform of such duties as may be delegated to him by the Market Committee or the Secretary.

Appointment of staff by the Market Committee.

53. (1) Every Market Committee may appoint such other Officers and servants as may be necessary and proper for the efficient discharge of its duties as prescribed by the Board:

Provided that no post shall be created save with the prior sanction of the Board.

(2) Subject to provisions in this Act and Rules, the Market Committee may make Bye-laws for regulating the appointment, pay, leave, leave allowances, pensions, gratuities, contribution to provident Fund and

other conditions of service of Officers and servants appointed under sub-section (1) and for providing for the delegation of powers, duties and functions to them.

(3) Notwithstanding anything contained in this Act or any Rules or Bye-laws made thereunder, the Director or Managing Director may, subject to the conditions specified in sub-section(4), transfer on deputation any Officer or servant of any Market Committee carrying a maximum scale of pay as prescribed to any other Market Committee of the Revenue Division and it shall not be necessary for Director or Managing Director to consult either the Market Committee or the Officer or servant concerned before passing an order of transfer on deputation under this sub-section.

(4) The Officer or servant concerned transferred under sub-section (3) shall:

- (a) have his lien on the post held in the parent Market Committee;
- (b) not be put to disadvantageous position in respect of pay and allowances which he would have been entitled to, had he continued in the parent Market Committee;
- (c) been entitled to deputation allowance at such rate as the State Government may by general or special order, specify; and
- (d) be governed by such other terms and conditions including disciplinary control as the Director or Managing Director may, by general or special orders, specify.

CHAPTER-VI

E-TRADING

Establishment and Promotion of electronic trading platform.

54. (1) No person shall establish and run any electronic trading platform for trading in notified agricultural produce including livestock without obtaining a licence under this Section.
- (2) Save as provided in sub-section (1), the State Government or its agencies may, however, establish and run e-trading platform for trading in notified agricultural produce including livestock, as may be prescribed.

Grantor Renewal of license to establish electronic trading platform.

55. (1) Any person desirous of establishing an e-trading platform under Section 54 (1) shall apply to the Director or the Officer authorized by him in such form and manner along with such fee and security or bank guarantee and fulfilling such conditions, as may be prescribed.
- (2) The application received under sub-section (1) for grant or renewal of licence may be accepted or rejected for reasons recorded in writing by the Licensing Authority:

Provided that the application received under this section shall be liable to be rejected on the condition(s) *mutatis mutandis* to condition(s) laid down for private market yard under Section 73.

(3) The e-trading platform managed and operated by a person or State Government or its agencies, as the case may be, shall provide all infrastructures and services connected to e-trading, as may be prescribed.

(4) The licensee or its management committee, may collect user charge on sale transaction of notified agricultural produce including livestock on the e-trading platform:

Provided that no user charge shall be collected from agriculturist-seller;

Provided further that the State Government in public interest may from time to time, by notification, put ceiling on the rate of collection of user charge.

(5) The e-trading platform licensee shall contribute, of such user charge collection, to the separate "Revolving Marketing Development Fund" maintained by the Director at the rate in percentage at par with APLMC. The Fund will be utilized for the purposes and in the manner *mutatis mutandis* to Section 10 (5) of this Act.

Integration of warehouses, silos, cold storages or other such structure or space, declared as market sub-yard to e-platform.

56. A licence holder under Section 73(1) for market sub-yard, desirous to link to e-platform of Government of India, may apply, through concerned State Government, or its agencies, to the Department of Agriculture, Cooperation & Farmers' Welfare, in the form and manner, as may be prescribed.

Integration of private market.

57. A licensee of private market yard, desirous of integrating with e-trading portal, may apply through State Government or its agencies to the Central Government, as may be prescribed.

Inter operability of e-trading platforms.

58. In order to evolve a unified National Agricultural Market and integrate various e-platforms, the applications in the e-platform(s) should be inter operable as per specifications and standards laid down by the Director or the Authority designated there for.

Payment to the sellers and maintenance of accounts.

59. (1) Notwithstanding anything contained in this Act, payment of notified agricultural produce including livestock traded on electronic platform shall be made same day of the sale transaction to the seller or in the maximum next day, if procedurally so required. In procedural exigencies on electronic trading, the payment to the seller may be made as prescribed in Rules and Bye-laws.

(2) The licensee or APLMC, as the case may be, shall maintain accounts of all the transactions taken place on electronic platform and submit such periodical reports and returns to the Managing Director or the authorized

Officer, at such time and in such forms, as may be specified by the competent authority, from time to time.

**Suspension or
Cancellation of
licence of electronic
trading platform.**

60. The Director or Managing Director may, for the reasons to be recorded, specifying the breach of any provision of Act, Rules, Bye-laws, instructions, orders, suspend or cancel the licence, granted under Section 55, by passing as peaking order:

Provided that no order for suspension or cancellation of licence shall be passed without giving a reasonable opportunity of being heard.

**Dispute settlement-
(i) between or among
licensees under
Section 55(1); and
(ii) between or among
licensee and APLMC.**

61. Any dispute arising between or among licensees of e-trading platforms, or between or among the licensees and APLMC or State agencies, shall be resolved by the Director or the Officer authorized by him, in summary manner within thirty days, after giving the parties reasonable opportunity of being heard.

**Dispute settlement
with regard to intra-
State trade –
transaction.**

62. In case of any dispute with regard to intra-State transaction on e-platform, the redressal thereof shall be done at the level of management committee of the licensee or the Market Committee, as the case may be, through an administrative process, or through the process of conciliation and arbitration, or otherwise within seven working days; while in case of perishables it shall be within three working days. The management committee or Market Committee, as the case may be, shall dispose of the matter by issuing speaking order.

**Dispute settlement
with regard to Inter-
State trade
transaction.**

63. In case of any dispute arising out of inter-State trade transaction on e-platform or any other such platform, the State Government can subscribe to become part of such Authority, which may be constituted by the Union Government or State Government under the existing law or any law to be framed therefor.

CHAPTER-VII

REGULATION OF TRADING

**Sale-transaction of
notified agricultural
produce and
livestock.**

64. (1) All notified agricultural produce including livestock shall ordinarily be sold in the principal market yards, sub-market yards and market sub-yards licenced under this Act or not, private market yards or at the electronic trading platforms:

Provided that the notified agricultural produce including livestock may be sold at other places also to a licence holder especially permitted in this behalf under this Act.

(2) In relation to agricultural produce, nothing in the sub-section (1) shall apply to the following sale and purchase where -

- (i) sale is made by the producer himself to any person for his domestic consumption in quantity upto the limits prescribed under the Rules;
- (ii) brought for sale by head load;
- (iii) purchase and sale is made by a petty trader;
- (iv) purchase is made by an authorized fair price shop dealer from the Food Corporation of India, "the State Commodities Trading Corporation" or any other agency or institution authorized by the State Government for distribution of essential commodities through the public distribution system; and
- (v) the transfer of such agricultural produce to a cooperative society for the purpose of securing an advance therefrom.

(3) In relation to livestock, nothing in the sub-section (1) shall apply on the business of purchasing or selling of livestock not exceeding such value, as may be prescribed.

(4) The price of the notified agricultural produce including livestock, brought for sale into the principal market yards, sub-market yards, private market yards, market sub-yards shall be settled by tender bid or open auction including e-auction or any other transparent system and no deduction shall be made from the agreed price on any account whatsoever from the seller.

(5) Weighment or measurement or counting of all the notified agricultural produce including livestock so purchased shall be done by such a person and such system as is provided in the Bye-laws or at any other place specified for the purpose by the Market Committee.

**Terms and procedure
of buying and selling.**

65. (1) Except in the commercial transaction between two traders, any other person who buys notified agricultural produce including livestock in the principal market yards, sub-market yards and market sub-yards, shall execute an agreement in triplicate in such form, as may be prescribed in favour of the seller. One copy of the agreement shall be kept by the buyer, one copy shall be supplied to the seller and the remaining copy shall be kept in the record of Market Committee.
- (2) (a) The price of the notified agricultural produce including livestock transacted in the principal market yards, sub-market yards, private market yards, market sub-yards or at e-platforms shall be paid on the same day to the seller or in the maximum next day if procedurally so required. Payment on notified agricultural produce shall also be made to agriculturist-seller, if sold to the direct marketing licensee, on the same day there itself.
- (b) In case purchaser does not make payment under clause (a), he shall be liable to make additional payment at the rate of one percent, per day of the total price of the agricultural produce including livestock, payable to the seller within five days.
- (c) In case the purchaser does not make payment with additional payment to the seller under clause (a) and (b) above, within five days from the

day of such purchase, his licence shall be deemed to have been cancelled on the sixth day and he shall not be granted any licence or permitted to operate under this Act for a period of one year from the date of such cancellation.

(3) Commission agent shall recover his or its commission from his or its principal trader at the rate not exceeding two percent *advalorem* on transacted non-perishable agricultural produce; while in case of perishable agricultural produce, it shall not exceed 4 percent *advalorem* on transacted produce, including all expenses as may be incurred by him in storage of the produce and other services rendered by him or it:

Provided that no commission shall be collected from farmer-seller.

**Levy of market fee
(single point levy of
market fee).**

66. (1) The Market Committee shall levy and collect market fee from buyer in respect of notified agricultural produce including livestock bought by such buyer in the principal market yard or sub-market yard(s) or market sub-yard(s) either brought from outside the State or from within the State, at such rate as may be notified but not exceeding two percent *ad valorem* on transacted produce in case of non-perishable agricultural produce and not exceeding one percent *ad valorem* in case of perishable agricultural produce and livestock:

Provided that market fee specified under this section shall not be levied for the second time, in whatever name it is called, *i.e.* cess, user charge, service charge, etc., in any principal market yard, sub-market yard, market sub-yard, private market yard, electronic trading platform within the State provided that market fee at applicable rate has already been paid on that notified agricultural produce in any principal market yard, sub-market yard, market sub-yard, private market yard, electronic trading platform of the State and the evidence to this effect has been furnished, by the concerned person that market fee has already been paid as aforesaid in the State;

Provided further that in case of commercial transactions between traders, the market fee shall be collected and paid by the seller;

Provided also in case buyer is not licensee and seller is farmer, the liability of payment of market fee shall be of commission agent, who will collect the market fee from buyer and deposit to the Market Committee.

(2) The Market Committee may levy and collect entrance fee on vehicles which may enter into market yard(s) at such rate as may be specified by the Board:

Provided that no such fee shall be levied and collected from agriculturist – sellers.

**Levy of user charge by
Market Committee.**

67. (1) Notwithstanding anything contained in this Act, the Market Committee may allow trade even in those item(s) of the agricultural produce including livestock which is/are not notified for regulation under

the Act or are not specified in the schedule to the Act for regulation.

(2) The Market Committee may collect user charge, as prescribed in Bye-laws, for allowing trade as provided under sub-section(1) at the rate not exceeding two percent *ad valorem* in case of non-perishable transacted agricultural produce and not exceeding one percent *ad valorem* in case of perishable agricultural produce and livestock.

(3) Save as otherwise provided in this Act, there shall neither be regulation nor levy of applicable market fee on sale-transactions of fruits and vegetables taking place outside the principal market yard, sub-market yard(s) and market sub-yard(s).

Power to grant exemption from market fee.

68. (1) The State Government may, by notification and subject to such conditions and restrictions, if any, as may be specified therein, exempt in whole or in part any agricultural produce including livestock brought for sale or bought or sold in the principal market yards, sub-market yards and market sub-yards specified in such notification, from the payment of market fee for such period as may be specified therein.

(2) Any notification issued under sub-section(1) of this Section may be rescinded before the expiry of the period for which it was to have remained in force, and on such rescission such notification shall cease to be in force.

Grant or Renewal of licence to market functionaries other than traders.

69. (1) Subject to the provisions of this Act and Rules made in this behalf, every person who, in respect of notified agricultural produce including livestock, desires to operate in the principal market yard or sub-market yard or market sub-yard as commission agent, weighman, measurer, hammal (loader-unloader) or such other market functionary, except trader, shall apply to the Market Committee for grant or renewal of licence in such form and such manner as may be prescribed.

(2) The Market Committee or its Chairman, if so authorized by the Market Committee may, on an application made under sub-section(1) and after making such inquiries as it deemed fit, grant or renew the licence, or may refuse to grant or renew any such licence on the basis of one or more of the following reasons-

- (i) The applicant is minor or not *bonafide*.
- (ii) The applicant has been declared defaulter under the Act or Rules made there under and Bye-laws.
- (iii) The applicant has been found guilty under the Act.
- (iv) Any dues relating to Market Committee and/ or Board are outstanding against the applicant.
- (v) Any other reason(s), as may be prescribed.

(3) The Market Committee or its Chairman, if so authorized under sub-section (2) shall dispose off the application received under sub-section(1) within twenty days from such date when application is complete in all respects.

Explanation: The Market Committee shall, on scrutiny of application and the documents annexed there with within five working days from the date of its receipt, grant or renew the licence within twenty working days from such date when application is found complete in all respects; or may, after recording the reason(s) in writing therefor, refuse to do so.

(4) On expiry of a period of twenty working days as under sub-section(3), if the application has not been disposed off, it shall be deemed that licence has been granted or renewed, as the case may be.

(5) The Market Committee or its Chairman, if so authorized may, for reasons to be recorded, specifying the breach of any provision of Act, Rules, Bye-laws, instructions, orders, suspend or cancel the licence, granted under this section, by passing a speaking order:

Provided that no order for suspension or cancellation of licence shall be passed without giving a reasonable opportunity of being heard.

**Grant or Renewal of
unified single trading
licence.**

- 70.** (1) There shall be a single licence applicable to the whole of the State, for the trader to be granted or renewed by the Director or Managing Director or the Officer authorized by him in such manner and in such form, as may be prescribed, to operate as trader in any principal market yard, sub- market yard, market sub-yard private market yard and sub-yard, e-trading platform or any other space identified for the purpose, in the State. The existing trader licences granted by the Market Committees shall be converted into State wide single trader licence by the Director or Managing Director or the Officer authorized by him, within six months from the date of commencement of the State Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2020. Until then, the existing trader licences granted by the Market Committees are deemed to have been the State wide single trader licences.

Explanation: Private market licensee or other such licensee or its management committee may, register the unified single trading licence holder issued by the Director or Managing Director or the Officer authorized by him, to allow to operate in such market yards.

(2) Any person desirous of obtaining or renewing a licence under sub-section(1) as trader, shall apply to the Director or the Officer authorized by him in Form with reasonable fee, as may be prescribed.

(3) Subject to provisions of this Act and the Rules made in this behalf, the Director or the Officer authorized by him, on application under sub-section(2), after making such inquiries as deemed fit, may grant or renew the licence in the form and for such a period, as may be prescribed:

Provided that notwithstanding anything contained in this Act and the Rules, there shall be no consideration of domicile, compulsory requirement of purchase or collection centre and minimal quantity for grant/renew of such licence;

Provided further that such licence granted or renewed shall entail to the licensee to carry out trade of any form i.e. primary or secondary or whatsoever, without any discrimination.

(4) The licence issued by the Director or the Officer authorized by him under this section shall bear Unicode, as may be prescribed.

**Suspension or
Cancellation of
unified single trading
licence granted or
renewed under
Section 70.**

- 71.** (1) The Director or the Officer authorized by him may, after such inquiry as he deems fit to make and after giving, in the prescribed manner, the licensee a reasonable opportunity of being heard, suspend or cancel a licence issued under Section 70 on any of the following ground(s):
- (a) that, the licence has been obtained through wilful misrepresentation or fraud;
 - (b) that, the licensee himself or in collusion with other licensee(s) commits any act or obtains from carrying on his normal business in the market with intention to wilfully obstruct, suspend or stop the marketing of notified agricultural produce in any type of market and in consequence whereof, the marketing of notified agricultural produce has been obstructed, suspended or stopped;
 - (c) that, the licensee is found to have contravened any of the provisions of this Act or the Rules or Bye-laws;
 - (d) that, the licensee has been convicted of an offence punishable under this Act or Rules or regulations;
 - (e) that, the licensee has become insolvent; or
 - (f) that, the licensee incurs any disqualification on grounds prescribed.

(2) Having been licence suspended or cancelled under this section, the holder of such licence shall forth with produce the same in the office of the Director or the Officer authorized for being endorsed in the prescribed manner and shall not be entitled to any claim on account of such suspension or cancellation any compensation or refund of the whole or any part of the licence fee or any of the other money.

**Recognition of unified
single trading license
granted/renewed
under Section 70 for
inter-state trade.**

- 72.** (1) Notwithstanding anything contained in this Act, the State may allow holder of unified single trading licence bearing Unicode, issued by any other State to undertake trade transaction within its geographical jurisdiction on e-platform or any other format including physical that may be in operation, as trader, as may be prescribed in Rules, Bye-laws under this Act.

(2) Such licensee shall be liable to pay the market fee and other marketing charges at the rate applicable in the State, where trade transaction has taken place, in the manner as may be prescribed.

(3) In case of contravention of any of the provisions of this Act, Rules, Bye-laws or instructions or orders, the Director, Managing Director or Market

Committee shall, after giving an opportunity to be heard, blacklist such licensee for trading purpose only within their respective jurisdiction, when a contravention has occurred, for a certain period or forever based on the gravity of breach or violation of provisions of this Act, Rules, Bye-laws or instructions or orders.

Explanation: The expression 'blacklisting' for a certain period to be deemed to be suspended for such a period in the jurisdiction as under sub-section (3), while 'forever' deemed to have been cancelled in the jurisdiction as under sub-section (3).

(4) The Director, Managing Director or Market Committee of the respective jurisdiction, where in the contravention occurs, may simultaneously submit a proposal detailing the type and nature of contravention with evidence, to the concerned licence issuing State Authority for taking further appropriate action against the contravener.

Grant or Renewal of licence for private market yard, farmer-consumer market yard and market sub-yard.

73. (1) Any person who, under Section 10, desires to establish private market yard, or under Section 11, desires to establish farmer-consumer market yard, or under Section 12 to be desirous of such a place being declared as market sub-yard, shall apply to the Director or the Officer authorized by him for grant or renewal of licence, as the case may be, in such form and in such manner; and also for such period but not less than three years, as may be prescribed.

(2) An application for grant or renewal of licence, as the case may be, for private market yard or farmer-consumer market yard or market sub-yard under Section 73(1), shall be accompanied with such reasonable licence fee and security/bank guarantee, as may be prescribed.

(3) An application received under sub-section (1) for grant or renewal of licence may be accepted or rejected for the reasons recorded in writing by the Licensing Authority:

Provided that the application received under this Section shall be liable to be rejected on the condition(s):

- (i) that, the applicant is a minor or not *bona fide*;
- (ii) that, the applicant has been declared defaulter under the Act and Rules and Bye-laws made there under;
- (iii) that, any dues relating to Market Committee and/or Board are outstanding against the applicant;
- (iv) that, the concerned authority is satisfied that the applicant does not possess the infrastructure credentials, experience or adequate capital for investment or any other requirements as may be prescribed for establishment of a private market yard or farmer-consumer market yard; and/ or
- (v) for any other reasons, as may be prescribed.

(4) The licence granted or renewed under this section shall be subject to

such terms and conditions, as may be prescribed; and the licensee shall be bound to follow the terms and conditions of the licence as prescribed. The licensee shall also follow the provisions of this Act and Rules made there under.

**Suspension or
Cancellation of
licence granted or
renewed under
Section 73.**

- 74.** (1) Subject to the provisions of Section 73, the Licensing Authority, as the case may be, may for the reasons to be communicated to the licence holder in writing, suspend or cancel the licence, if:
- (a) the licence has been obtained through willful misrepresentation or fraud; and/or
 - (b) the holder of licence or its representative or any one acting on his behalf with his expressed or implied permission, commits a breach of any of the Rules, regulations and terms or conditions of licence; and/or
 - (c) the holder of licence himself or in combination with other licence holder commits any act or abstains from carrying on his normal business in the market area with the intention of willfully obstructing, suspending or stopping the marketing of notified agricultural produce; and/ or
 - (d) the holder of the licence has become insolvent; and/or
 - (e) the holder of the licence incurs any disqualification, as may be prescribed; and/or
 - (f) the holder of the licence is convicted of any offence under this Act.

(2) No licence shall be suspended or cancelled under this section without giving a reasonable opportunity of being heard to its holder.

(3) Subject to the provisions of Section 74, the Licensing Authority shall communicate to the licence holder by speaking order to suspend or cancel its licence granted or renewal under Section 73.

**Grant or Renewal of
licence for direct
marketing.**

- 75.** (1) Any person, including a Farmers' Cooperative, Farmers' Producer Organisation (FPO) and Processor or Exporter, under Section 13, desires to purchase agricultural produce directly from farmers outside the principal market yard, sub-market yard, market sub-yard, private market yard, shall apply to the Director or the Officer authorized by him for grant or renewal of licence, as the case may be, in such form and in such manner; and also for such period, as may be prescribed.
- (2) An application for direct marketing shall accompany such reasonable licence fee and security or bank guarantee, as may be prescribed.
- (3) The application received under Section 75(1) for grant or renewal of licence may be accepted or rejected in the cause and manner *mutatis mutandis* to Section 73(3).
- (4) A direct marketing licence granted or renewed under this section shall be subject to such terms and conditions, as may be prescribed; and the

licensee shall be bound to follow the terms and conditions of the licence as prescribed. The licensee shall also follow the provisions of this Act and Rules made thereunder.

**Suspension or
Cancellation of direct
marketing licence.**

- 76.** Subject to the provisions of Section 13, the Licensing Authority, who has issued the licence, may suspend or cancel the licence granted/renewed under Section 75 in the cause and manner *mutatis mutandis* to Section 74.

**Dispute settlement-
(i) between or among
Licensees.
(ii) between or among
licensee and APLMC.**

- 77.** Any dispute arising between or among licensees for private market yard, farmer-consumer market yard, market sub-yard and direct marketing, or between or among licensee(s) and APLMC(s) may be resolved by the Director or Managing Director or the Officer authorized by him, in a summary manner within thirty days, after giving the parties a reasonable opportunity of being heard.

Appeal.

- 78.** (1) Any person aggrieved by the order of the Director or the Officer authorized by him, passed under Section 61 and 77, as the case may be, may prefer an appeal to the State Government or the Officer authorized by it, in the form and manner as prescribed, within thirty days from the date of receipt of such order. The Appellate Authority shall dispose of the appeal within thirty days, after giving the parties a reasonable opportunity of being heard.
- (2) Any person aggrieved by the order of the Market Committee or management committee of private market yard, farmer-consumer market yard, market sub-yard, electronic trading platform may prefer an appeal to the Director or the Officer authorized by him, in the form and manner *mutatis mutandis* to sub-section (1), within thirty days from the date of receipt of such order. The Appellate Authority shall dispose of the appeal within thirty days, after giving the parties a reasonable opportunity of being heard.
- (3) Save as provided in Section 78(1), the appeal with respect to inter-State trade on e-platform or any other such platform under Section 63, will be in accordance with the provisions to be provided under any law constituting the Authority.
- (4) The Appellate Authority, if it considers it necessary so to do, grant a stay on the order appealed against for such period as it may deem fit.
- (5) The order passed in the appeal by the Appellate Authority under this section shall be final and binding on all parties. Such order issued by the Appellate Authority shall have the force of the decree of a Civil Court and shall be enforceable as such.

Registration of whole sale ad-hoc buyer.

- 79.** (1) Any person desirous of whole sale buying either from the market-yard or from outside the market-yard, on day to day basis for own consumption even without valid licence granted under Section 75, may register with the concerned Market Committee, in the form and in the manner, as may be prescribed:
- (a) Such buyer will specify the place and day of purchase while making the registration; or afterward before purchase;
- (b) In case of such buying undertaken in the market yard, the buyer shall be liable to pay Market fee at the applicable rate to the Market Committee and on buying undertaken outside the market yard, the buyer shall pay one-fourth of the applicable market fee to the Market Committee:
- Provided that such wholesale purchases cannot be made more than three times in a month across the State.

Bar of jurisdiction on Civil Courts.

- 80.** (1) No Civil Court shall have jurisdiction to settle, decide or deal with any question or to determine any matter which is by or under this Act required to be settled, decided or dealt with.
- (2) No court shall take cognizance of an offence under this Chapter, except upon a complaint by the Director or Managing Director or by any other Officer authorized by him in this behalf.

CHAPTER-VIII
BUDGET AND MARKET COMMITTEE FUND

Preparation and sanction of budget.

- 81.** (1) Every Market Committee shall prepare and pass the budget of its income and expenditure for the ensuing year in the prescribed form and shall submit it to the Managing Director for sanction before the prescribed date every year. The Managing Director shall sanction the budget with or without modification within one month from the date of receipt thereof. If the budget is not returned by the Managing Director within one month, it shall be presumed to have been sanctioned.
- (2) The Managing Director may also seek the consent of the Director, on the budget so passed under sub-section (1). If the budget with the comments of the Director is not returned within fifteen days from the date of its receipt, it shall be presumed that the Director has consented to.
- (3) The Market Committee may sanction and cause to undertake execution of construction works out of its Fund other than the permanent Fund referred to in sub-section (7) on the basis of the plans and designs approved by the Market Committee, in such manner as may be prescribed by the Board.
- (4) No expenditure except payment of pension will be made out of pension fund.

(5) No expenditure shall be incurred by a Market Committee on any item if there is no provision in the sanctioned budget thereof unless it can be met by re-appropriation from saving under any other head. The sanction for re-appropriation may be obtained from the Managing Director provided that in case of re-appropriation from minor heads under one major head, sanction for re-appropriation will not be required.

(6) A Market Committee at any time during the year for which any budget has been sanctioned, cause a revised or supplementary budget to be passed and sanction in the same manner as if it were an original budget.

(7) The Market Committee shall make provision in its budget for crediting the amount in to the permanent Fund upto thirty percent of its gross receipt comprising of licence fee and market fee and to the pension Fund as prescribed from time to time by the Managing Director. No expenditure from the permanent Fund shall be incurred except with the prior approval or as per direction given by the Managing Director. No expenditure from this Fund or from amount as provided under sub-section (2) of Section 82 shall be proposed in the budget referred to in sub-section (1).

(8) The Managing Director or Board while according sanction for construction work may at its discretion, direct that the execution of the works shall be entrusted to the Marketing Board or any other agency authorized by the State Government for this purpose.

Market Committee Fund.

82. (1) Save as provided in sub-section (2) all money received by a Market Committee shall be paid in to a fund to be called "The Market Committee Fund" and all expenditure incurred by the Market Committee under or for the purposes of this Act shall be defrayed out of the said fund. Any surplus remaining with the Market Committee after such expenditure has been met, shall be invested in such manner as may be prescribed.

(2) Any money received by the Market Committee by way of arbitration fee or as security for costs in arbitration proceedings relating to disputes or any money received by the committee by way of security deposit, contribution to provident fund or for payment in respect of any notified agricultural produce including livestock, or charges payable to market functionaries as required and such other money received by the Market Committee may be provided in the Rules or Bye-laws, shall not form part of Market Committee Fund, and shall be kept in such manner as may be prescribed.

(3) Save as otherwise provided in this Act, the amount to the credit of the Market Committee Fund and also other money received by the Market Committee shall be kept in a scheduled nationalized cooperative banks or in the nationalized bank or post office saving bank or in any other mode with the approval of the Managing Director.

Application of Market Committee Fund.

83. Subject to the provisions of Section 82, the Market Committee in order to discharge functions and perform duties entrusted to it under this Act, may use the Market Committee Fund. Without prejudice to generality of this

provision the Market Committee Fund may be used for the following purposes, namely-

- (i) The acquisition of a site or sites for the market yard.
- (ii) The establishment, maintenance and improvement of the market yard.
- (iii) The construction and repairs of building necessary for the purpose of the market yard and for convenience or safety of the persons using the market yard.
- (iv) The maintenance of standard weights and measures.
- (v) The meeting of establishment charges including payment and contribution towards provident fund, pension and gratuity of the Officers and servants employed by a Market Committee.
- (vi) Loans and advance to the employee of the Market Committee.
- (vii) The payment of interest on the loans that may be raised for the purpose of development of the market yard(s) and other works as included in the work plan; and provisions of sinking fund in respect of such loans.
- (viii) The collection and dissemination of information relating to crop statistics and efficient marketing of agricultural produce and livestock.
- (ix) Expenses incurred in auditing the account of the Market Committee.
- (x) Payment of honorarium, travelling allowance, sitting fee to Chairman and other Members excepting *ex-officio* Member(s) of the Market Committee.
- (xi) Contribution to Marketing Development Fund maintained by the Board and Revolving Marketing Development Fund maintained by Director.
- (xii) Contribution to any scheme for development of agricultural marketing including transport & other logistics.
- (xiii) To provide facilities like grading, standardization and quality certification services and activities incidental thereto.
- (xiv) Payment of expenses on elections under this Act in exigencies.
- (xv) Incurring of all expenses on research, extension and training in development of marketing of agricultural produce including livestock.
- (xvi) To incur expenses on promotion of pledge financing and marketing credit.
- (xvii) To create and promote on its own or through public private partnership infrastructure of post-harvest handling of agricultural produce including livestock, cold storages, pre-cooling facilities, pack houses and all such infrastructure to develop modern marketing system.
- (xviii) Any other purpose(s) connected with the marketing of agricultural produce including livestock under this Act whereon the expenditure of the Market Committee Fund is in the public interest subject to the prior sanction of the Managing Director.

CHAPTER-IX

CONSTITUTION OF STATE AGRICULTURAL MARKETING BOARD

- Establishment of the State Agricultural Marketing Board.** 84. The State Government shall, for coordinating and undertaking the activities relating to development of markets and marketing infrastructures and services incidental thereto and also exercising such other powers and performing such functions as are conferred or entrusted by or under this Act, establish and constitute a State Agricultural Marketing Board.
- In corporation of Board.** 85. The Board shall be a body corporate having perpetual succession and common seal and may sue and be sued in its corporate name and shall be competent to acquire and hold property both moveable and immovable and to lease, sell or otherwise transfer any such property, to contract and to do all other things necessary for the purpose for which it is established.
- Constitution of the State Agricultural Marketing Board.** 86. The Board shall consist of a Chairman and such other Members as may be elected or appointed by the State Government.
- Composition of the State Agricultural Marketing Board.** 87. The composition of the Board shall be -
1. **Chairman** - There shall be a Chairman of the Board of the rank of Agriculture Production Commissioner, Commissioner and Secretary or Secretary to the Government of Meghalaya, Agriculture Department :
 2. Members comprising Chairman of all Market Committees.
 3. Other ex-officio members will be as follows:
 - (i) Principal Secretaries or Commissioners and Secretaries, Agriculture, Cooperation, Veterinary and Animal Husbandry, Community and Rural Development, Fisheries Departments.
 - (ii) Agricultural Marketing adviser to the govt. of India or his nominee not below the rank of Deputy Secretary to the Government of India.
 - (iii) Representative of the National Bank for agricultural and rural development not below the rank of Deputy General Manager.
 - (iv) Managing Director, Meghalaya Cooperative Apex Bank Ltd.
 - (v) Registrar of Co-operative Societies.
 - (vi) Directors of Horticulture i/c Agricultural Marketing, Agriculture, Community Development, Fisheries, Animal Husbandry and Veterinary and Cooperation.
 - (vii) Managing Director of State Marketing Board – Member Secretary.

**Appointment of
Managing Director,
Officers and Servants
of the Board.**

88. (1) The Board shall have a Managing Director who shall be appointed by the State Government and he shall be the Chief Executive Officer of the Board.
- (2) The Managing Director appointed under sub-section (1) shall also function as the *ex-officio* Secretary of the Board.
- (3) The Board may appoint other Officers and servants as may be necessary for the efficient discharge of its duties and functions under this Act.
- (4) The superintendence and control over all the Officers and servants of the Board shall vest in the Managing Director.

**Term of Office of the
non-official Members
of the Board.**

89. (1) The term of office of the non-official Members of the Board shall be for five years. However, the Members may hold the office at the pleasure of the State Government:
- Provided that the State Government may, if it thinks fit, remove any Member of the Board before the expiry of term of office.
- (2) No person may be Member of the Board exceeding two terms.
- (3) The State Government may, on its own motion or on resolution passed by a majority of total Members and two third of the Members of the Board voted, remove a Chairman of the Board for misconduct or neglect of or in capacity to perform his duty and on such removal he shall not be eligible to serve as a Chairman for a period of five years from the date of such removal:
- Provided that no order of such removal shall be passed unless a reasonable opportunity to be heard has been given to the concerned.

**Term of
Official Members.**

90. (1) The tenure of an official Member of the Board shall come to an end as soon as he ceases to hold the office by virtue of which he was nominated.
- (2) In the event of supersession of the Market Committee from where the Member(s) have been nominated on the Board, the concerned Member shall cease to be a Member on it.

**Allowances to
Members
of the Board.**

91. The Members of the Board other than an *ex-officio* Member shall be paid from the Marketing Development Fund for such sitting fee and allowances for attending its meetings and for attending to any other work as may be fixed by the State Government from time to time.

**Filling of casual
vacancy.**

92. In the event of death or resignation or disqualification or removal of any Member of the Board or any vacancy arising otherwise before the expiry of his term of office, a casual vacancy shall be deemed to have occurred in such office and such vacancy shall be filled, as soon as may be, by nomination by the State Government. The person so nominated shall hold such office for the un-expired term of his predecessor.

**Resignation of
Chairman and
Members.**

93. The Chairman and a Member of the Board may resign from respective post by tendering resignation to the State Government and the seat of such incumbent shall become vacant on the date of acceptance of his resignation:

Provided that a Member of the Board may resign from respective post by tendering his resignation to the State Government under intimation to the Chairman of the Board.

**Disqualification of
Member of the
Board.**

94. No person shall be a Member of the Board who-
- (a) is, or at any time has been, adjudged insolvent; or
 - (b) is, or has been convicted of an offence which, in the opinion of the State Government involves moral turpitude; or
 - (c) is of unsound mind and stands so declared by the competent court; or
 - (d) is a Director or a Secretary, Manager or other salaried officer or employee of any company or firm having any contract with the Board or a Market Committee; or
 - (e) is, or at any time been, found guilty under Section(s) 114 and/ or 126 of this Act ; or
 - (f) has so abused, in the opinion of the State Government, his position as a Member, as to render his continuance on the Board detrimental to the interest of the general public.

**Appointment of Sub-
committee.**

95. The Board may appoint sub-committees consisting of three or more of its Members which shall also include Chairman and the Managing Director, for the performance of any of its duties or functions or for giving advice on any matter incidental thereto and may delegate to such sub-committee any of its duties or functions as may be deemed necessary.

**Superintendence of
the
Board.**

96. The State Government shall exercise superintendence and control over the Board and its Officers and may call for such information as it may deem necessary and, in the event of it being satisfied, that the Board is not functioning properly, it may suspend the Board and, till such time as a new Board is constituted, make such arrangements for the exercise of the functions of the Board as it may think fit:

Provided that the Board shall be constituted within six months from the date of its suspension.

**Functions and
powers of the Board.**

97. (1) The Board shall, subject to the provisions of this Act, perform the following functions and shall have power to do such things as may be necessary or expedient for carrying out these functions:
- (i) Coordination of the working of the Market Committees and other affairs thereof including programs undertaken by such Market Committees for the development of principal market yards, sub-market yards and market sub-yards; and also in delineated market areas.

- (ii) Undertake State level planning of the development of agricultural produce including livestock in principal market yards, sub-market yards and market sub-yards.
- (iii) Administer the State Marketing Development Fund.
- (iv) Give direction to the Market Committees in general or any Market Committee in particular with a view to ensuring improvement thereof.
- (v) Any other functions specifically entrusted to it under this Act.
- (vi) Such other functions of like nature as may be entrusted to it by the State Government.

(2) Without prejudice to the generality of the foregoing provisions, such functions of the Board shall include:

- (i) approval of the proposals for selection of new sites by the Market Committees for establishment of principal market yard or sub-market yard or market sub-yard;
- (ii) approval of the proposals for constructing infrastructure facilities in the principal market yard, sub-market yard and market sub-yards; and also in delineated market area;
- (iii) supervision of and guidance of the Market Committees in preparation of plans and estimates of construction programme under taken by the Market Committee;
- (iv) execution of all works chargeable to the Board's fund;
- (v) maintenance of the accounts in such form as may be prescribed and get the same audited in such manner as may be laid down in the regulation of the Board;
- (vi) publishing annually at the close of the year its progress report, balance sheet and statement of assets and liabilities; and send copies thereof to each member of the Board and the State Government;
- (vii) set up separate Marketing Extension Cell in the Board for transfer of marketing technology and extension services. Board may also make necessary arrangements for awareness generation campaign on matters related to regulated marketing of an agricultural produce including livestock and development of marketing facilities there for;
- (viii) providing facilities for the training of officers and servants of the Market Committees after assessing the demand for trained personnel in agricultural marketing at all levels. Set up a Training Cell with college or centres for training in agricultural marketing for various market functionaries, Market Committee members and farmers etc., in the State Marketing Board with necessary academic support from the Directorate of Marketing and Inspection of Government of India, a National level Nodal agency.
- (ix) provide facilities for linking of consumers to farmers or their groups through appropriate technology;
- (x) help prepare budget for the ensuing year;
- (xi) granting subventions on loans to Market Committee for the purposes of this Act on such terms and conditions as the Board may determine;

- (xii) arranging or organizing seminars, workshops, exhibitions etc. on subjects related to agricultural marketing;
- (xiii) doing such other things as may be of general interest to Market Committees or considered necessary for the efficient functioning of the Board;
- (xiv) facilitating Market Committee in promoting grading and standardization of notified agricultural produce including livestock, setting up of as saying labs and other infrastructures for on-line trading and activities incidental thereto ;
- (xv) providing logistic support to promote on-line trading on-line to develop barrier market for notified agricultural produce including livestock; and
- (xvi) setting up an advisory committee with technical support of Directorate of Marketing and Inspection to promote efficient marketing of notified agricultural produce and livestock, including issues relating to grading, standardization, packaging, quality certifications, as may be prescribed.

Regulations.

- 98.** (1) The Board may, with the previous approval of the State Government, make regulations, not inconsistent with this Act and Rules made there under for the administration of the affairs of the Board.
- (2) In particular and without prejudice to the generality of the fore going power, such regulations may provide for all or any of the following matters-
- (a) summoning and holding of meetings of the Board, the time and date when such meetings are to be held, the conduct of business at such meetings and the number of persons necessary to form a quorum thereof;
 - (b) powers and duties of the officers and other employees of the Board;
 - (c) salaries and allowances and other conditions of service of officers and other employees of the Board and of officers of the Market Committees;
 - (d) management of the property of the Board;
 - (e) execution of contracts and assurances of property on behalf of the Board;
 - (f) maintenance of accounts and the preparation of balance sheet by the Board;
 - (g) procedure for carrying out the functions of the Board under this Act; and
 - (h) other matter for which provision is to be or may be made in regulation.

“Marketing Development Fund”.

- 99.** All money received by or on behalf of the Board shall be credited to a Fund called “Marketing Development Fund.”

Payments incurred by The Board.

- 100.** All payments incurred by the Board shall be defrayed out of the “Marketing Development Fund”.

- Contribution towards “Marketing Development Fund”** **101.** Every Market Committee shall pay to “Marketing Development Fund” maintained by Board in percentage upto twenty percent of its income derived from licence fees and market fees, as may be prescribed, to meet the expenses of establishment of the Board and expenses incurred in execution of the functions assigned to the Board under this Act.
- Borrowing by issue of bonds or stocks.** **102.** The Board may, for carrying out the provisions of this Act, borrow money from the State Government or may with the previous approval of the State Government-
- (i) from any other agency; or
 - (ii) issue debentures on the authority of any property vested in it or on the security of a part of its future income accruing to it under this Act, or the Rules made there under.
- Utilization of Marketing Development Fund Maintained by Board.** **103.** (1) The Market Development Fund shall be utilized by the Board either on its own or through public private partnership for discharge of functions entrusted to the Board under this Act.
- (2) Without prejudice to generality of this provision, the Market Development Fund may be utilized for the following purposes, namely-
- (i) Payment of administrative expenditure of the Board.
 - (ii) Payment of travelling and other allowance to the Chairman and Members of the Board.
 - (iii) Payment of legal expenses incurred by the Board.
 - (iv) Granting aid to financially weak Market Committees in the form of loan or grant for development proposes.
 - (v) Propaganda and publicity on matters relating to marketing of agricultural produce including livestock.
 - (vi) Training of the officers and staff of the Market Committees and Board and also to market functionaries and agriculturists.
 - (vii) Organizing and arranging workshops, seminars, exhibition etc., on development of marketing.
 - (viii) Promotion and construction of infrastructural facilities in the principal market yard, sub-market yard and market sub-yard and in also common market infrastructural facilities in the delineated market area.
 - (ix) Undertaking skill development and pledge financing activities.
 - (x) Undertaking market survey and research, grading and standardization, quality assaying, quality certification of agricultural produce, on-line trading and other activities connected thereto.
 - (xi) Acquisition or constructions or hiring by lease or otherwise of buildings or land for performing the duties of the Board.
 - (xii) Internal audit of the Board and the Market Committees.
 - (xiii) Development of Haat Bazars and farmer-consumer markets for marketing of agricultural produce in the delineated market areas; and explore the possibility of developing such markets for

livestock also.

(xiv) any other purpose, deemed necessary for execution of the functions assigned to the Board under this Act or as directed by the State Government.

Audit of accounts of the Board.

104. (1) The accounts of the Board shall be subject to audit under the State Local Fund Audit Act or by a certified Chartered Accountant or by other agency as the State Government deems fit.

(2) The Board may make arrangement for internal audit of accounts, as it may deem fit.

(3) The annual accounts and balance sheet of the Board shall be prepared by the Managing Director and all money accruing to or received by the Board from whatever source and all amounts disbursed or paid shall be entered in the accounts.

(4) At the time of audit, the Managing Director shall cause to be produced all accounts, registers, documents and other relevant papers which may be called for by the audit officer for the purposes of the audit. Any explanation called for by such officer for the removal of any discrepancy shall be immediately furnished to him.

(5) The accounts when audited shall be printed. The copies of accounts and audit report with comments thereon shall be placed before the Board.

Delegation of powers.

105. (1) Subject to the provisions of this Act, the Board may by general or special order, delegate to the Managing Director or Member Secretary or sub-committee appointed by it or to any Officer of the Board such of the powers and duties under the Act, as it may deem fit.

(2) The Chairman or the Member Secretary of the Board may delegate his power under this Act to any Officer of the Board.

Supervision and control of the Chairperson or Chief Executive.

106. (1) The Chairman of the Board shall preside over the meeting.

(2) Subject to the superintendence of the Board, the general control and direction overall the officers and servants of the Board shall be vested with the Chief Executive of the Board.

Functions and powers of the Managing Director.**107.** The Managing Director shall:

- (i) exercise supervision and control over officers and servants of the Board in matters of executive administration, concerning accounts and records and disposal of all questions relating to the service of the employees as per procedure prescribed;
- (ii) appoint officers and staff of the Board as per direction and procedure prescribed by the Board;
- (iii) incur expenditure from the Marketing Development Fund on the sanctioned items of work;
- (iv) in case of emergency, direct the executions or stoppage of any work and doing of any act which requires the sanction of the Board;
- (v) prepare annual budget of the Board;
- (vi) arrange for internal audit of the Board;
- (vii) arrange for the meetings of the Board and maintain records of the proceedings of the meetings of the Board as per procedure prescribed;
- (viii) take such steps as deemed necessary for execution of the decision of the Board;
- (ix) inspect the construction work undertaken by the Market Committees either from their own funds or loans and/or grants provided by the Board or any other agencies and take corrective measures;
- (x) report, such acts either of the Market Committees or of the Board which are contrary to the provisions laid down under this Act or Rules and Bye-laws made thereof, to the State Government;
- (xi) take such steps as deemed necessary for effective discharge of the functions of the Board.

Conduct of business of the Board.**108.** (1) The Board shall meet for the transaction of its business at least once in every three months at such a place and at such times as the Chairman may determine.

(2) Save as otherwise provided in sub-section (1) the provisions of chapter IV shall *mutatis mutandis* apply for the conduct of the business of the Board.

(3) All proceedings of the Board shall be authenticated by the signature of the Chairman, Member-Secretary/Managing Director and all other orders and other instruments issued by the Board shall be authenticated by the signature of the Chairman, Member-Secretary/Managing Director or such other officer of the Board as may be authorized in this behalf by regulation.

(4) The Board shall conduct the business in a manner prescribed under the Rule.

Powers of Chairman of Board.**109.** The Chairman of the Board shall exercise such powers as may be prescribed.

CHAPTER-X

APPOINTMENT OF DIRECTOR AND ITS POWER AND FUNCTIONS

Appointment of Director of Agricultural Marketing. 110. The State Government may, by notification, appoint any Officer to exercise or perform such of the powers or functions of the Director of Agricultural Marketing under the provisions of this Act and the Rules made there under:

Provided that Director of Agricultural Marketing shall not concurrently hold the office of Managing Director of the Board.

Power and functions of the Director of Agricultural Marketing. 111. (1) Subject to the provisions of this Act, the Director may exercise such powers and perform such functions other than those prescribed for the Managing Director of the Board under this Act, which would enable proper execution of the provisions of this Act. The State Government may delegate any or all the regulatory powers vested in it under this Act or Rules to the Director.

(2) In particular and without prejudice to the generality of the provisions of the Section 116, the functions of the Director may include-

(i) grant or renewal and suspension or cancellation of licence granted to the person for establishing and/or operating private market yard, farmer-consumer market yard, private market sub-yard, electronic trading platform and direct marketing;

(ii) grant or renewal and suspension or cancellation of unified single trading licence for the State;

- (iii) black listing the operation of inter-state trading licence within the State jurisdiction issued by another State;
- (iv) supervision on the Market Committees for effective execution of provisions of the Act and Rules made thereunder relating to transaction of agricultural produce including livestock taking place in the principal market yards, sub-marker yards and market sub-yards;
- (v) enforcement of regulation in the delineated market areas;
- (vi) launch of prosecution for contravening the provision(s) of the Act and Rules made thereunder;
- (vii) suggestion to the State Government for undertaking amendments to the Act and Rules for effective execution of the Objectives of the Act;
- (viii) approval of the Bye-laws framed by the Market Committee under this Act and Rules;
- (ix) identifying person(s) or organization for conducting the audit of accounts of the Market Committee and Board.
- (x) consenting the approval of the budget of the Market Committee;
- (xi) accord sanction to the creation of posts of officers and staff of the Market Committee;
- (xii) appointment and transfer of the personnel of the State Agricultural Marketing Services, if any, and act as the cadre controlling authority for them;
- (xiii) taking steps for timely and proper conduct of the elections of the Market Committee and Board and activities connected thereto;
- (xiv) acceptance of resignation of the Chairman of the Market Committee;
- (xv) to act as dispute resolution authority for the licensee of private market yard, farmer-consumer market yard, private market yard, sub-market yard, electronic platform and direct marketing and holder of single unified licence and inter-state trading licence;
- (xvi) to act as appellate authority from any person aggrieved by an order of the Market Committee;
- (xvii) approval of the resolution passed by Market Committee;
- (xviii) removal of Chairman or member(s) of the Market Committee in the manner as may be prescribed; and
- (xix) to inspector cause to be inspected accounts and offices of the Market Committee, if so required.

**Revolving Marketing
Development Fund.**

- 112.** (1) The Director shall maintain a separate "Revolving Marketing Development Fund" to account the receipts realized as contribution from licensees of private market yard, private market sub-yard, e-trading platform, direct marketing and from such other contribution including Market Committee.
- (2) Every Market Committee shall contribute five percent of its income

derived from licence fees and market fees, as may be prescribed, to "Revolving Marketing Development Fund" maintained by Director.

(3) The Director will spend the fund, so maintained under sub-section (1), in development of common marketing infrastructure, skill development, training, research and pledge financing and such other activities as will aid in creating an efficient marketing system in the State or Country.

Officer and staff of the Director of Agricultural Marketing.

113. (1) The Director, to discharge such duties and perform such functions as assigned under this Act or Rules, may, with the previous sanction of the State Government, establish offices at district level.

(2) The district level offices should be headed by an officer, with such qualification and experience but not below the rank of Deputy Director or Under Secretary to Government of India.

(3) The other Officers at the district level may be posted with such qualification and experience as may be prescribed, from the State's Agricultural Marketing Service cadre, if any, or otherwise or on deputation as per Rule.

CHAPTER—XI PENALTIES

Penalty for contravention of Act, Rules and Bye-laws.

114. Any person who contravenes any provision of this Act, or of any Rule or Bye-laws or order issued thereunder shall be punishable with simple imprisonment which may extend to six months or with fine which may extend to five thousand rupees or with both:

Provided that in the case of a continuing contravention of the provisions of Section 65, he shall be liable to be punished with a further fine which may extend to two hundred rupees for everyday during which the contravention is continued after the first conviction.

Recovery of market dues.

115. Whenever any person is convicted of any offence punishable under this Act, the Magistrate shall in addition to any fine which may be imposed, recover summarily and pay over to the Market Committee the amount of fees or any other amount due from him under this Act or Rules or Bye-laws made thereunder and may, in his discretion, also recover and pay over to the Market Committee costs of the prosecution.

Cognizance of offences.

116. No court shall take cognizance of any offence punishable under this Act or any Rule or any Bye-laws made there under except on the complaint made by the Director or Officer authorized in this behalf or by the Chairman, Secretary of the Market Committee or any person duly authorized by the Market Committee in this behalf.

**CHAPTER—XI
CONTROL****Inspection, inquiry, submission of statements etc.**

117. (1) On his own motion, the Managing Director or any Officer authorized by him, or on direction of State Government or Director, may -
- (a) inspector cause to be inspected the account and offices of Market Committee;
 - (b) hold enquiry into the affairs of a Market Committee;
 - (c) call from any return, statement, accounts or reports which he may think fit to require such committee to furnish;
 - (d) require a Market Committee to take into consideration-
 - (i) any objection on the ground of illegality or in expediency or impropriety which appears to him to exist to the doing of anything which is about to be done or is being done by or on behalf of such committee; or
 - (ii) any information he is able to furnish and which appears, to him to necessitate the doing of a certain thing by such committee; and
 - (iii) to make written reply to him within a reasonable time stating the reason for doing or not doing such thing.
 - (e) direct that anything which is about to be done or is being done should not be done, pending consideration of the reply, and anything which should be done but is not being done should be done within such time as he may direct.

(2) When the affairs of a Market Committee are investigated under this section or the proceedings of any Market Committee are examined by the Managing Director under Section 124, the Chairman, Secretary and all other Officers and servants and Members of such committee shall furnish such information in their possession in regard to the affairs or proceedings of the Market Committee as the Managing Director, or the Officers authorized by him, as the case may be, may require.

(3) An officer investigating the affairs of a Market Committee under subsection (1) or the Director or the State Government examining the proceeding of any Market Committee under Section 125 shall have the power to summon and enforce the attendance of Officer(s) or Member(s) of the Market Committee and to compel him or them to give evidence and to produce documents by the same means and as far as possible in the same manner as is provided in the case of a Civil Court under the Code of Civil Procedure, 1973.

(4) Where the Managing Director has reason to believe that the books

and records of a Market Committee are likely to be tampered with or destroyed or the funds or property of a Market Committee are likely to be misappropriated or misapplied, the Managing Director may issue order directing a person duly authorized by him in writing to seize and take possession of such books and records, funds and property of the Market Committee and the Officer(s) of the Market Committee responsible for the custody of such books, records, funds and property shall give delivery thereof to the person so authorized.

Powers of the Director to remove Chairman or Member of the Market Committee.

- 118.** (1) The Director may remove Chairman in consultation with the State Government and Members of Market Committee in consultation with Chairman where he is of the opinion that the said functioning:
- (a) has been guilty of misconduct or gross negligence of duty as Chairman or a Member;
 - (b) ceases to hold the qualifications necessary for being a Chairman or Member.

(2) No order of removal under sub-section (1) shall be passed unless the person concerned has been given reasonable opportunity of being heard in respect of the allegations against him.

(3) The Director may suspend any Chairman or a Member of a Market Committee in the manner and way *mutatis mutandis* to sub-section (1), who has been served with notice under sub-section (1) or sub-section (2) as the case may be, and against who many complaint has been received or who commits irregularities after the service of such notice, for period from the date of receipt of complaint or the date of noticing of irregularities by the Director till the final decision is taken in his case.

Supersession of the Market Committee.

- 119.** Where the Director, on his own motion or after considering the submission of Managing Director, is of the opinion that a Market Committee has failed in the performance of its functions or discharge of its duties or has exceeded or abused the powers conferred on it by or under this Act, may, on prior consultation with the State Government, by notification in the Gazette, supersede the Market Committee:

Provided that no order of supersession shall be passed unless the Director has given a reasonable opportunity to the Market Committee of being heard in respect of the allegations made against it.

Consequence of supersession of Market Committee.

- 120.** Upon publication of the notification superseding a Market Committee under Section 119, the following consequences shall ensue :
- (i) The Chairman and all the Member of the Market Committee shall, as with effect from the date of publication of the notification, be deemed to have vacated their offices.

- (ii) The State Government or the Director shall direct that the steps be taken for constitution of a new Market Committee under Section 17 and till such time as a new Market Committee under Section 17 is constituted as aforesaid, the Director shall make such arrangements for carrying out the functions of the Market Committee as it may deem fit for the period not exceeding six months and may, for that purpose, direct that all the functions, powers and duties of the Market Committee and its Chairman, under this Act, shall be performed, exercised and discharged by such person or authority as the Director may appoint in this behalf and such person or authority shall be deemed to be the Market Committee or Chairman, as the case may be.

Supersession of Board.

- 121.** Where the State Government is of the opinion that the Board has failed in the performance of its functions or discharge of its duties or has exceeded or abused the powers conferred on it by or under this Act, it may, by notification in the Gazette, supersede the State Agricultural Marketing Board:

Provided that no order of supersession shall be passed unless the State Government has given to the Board a reasonable opportunity of being heard in respect of the allegations against it.

Consequence of supersession of Board.

- 122.** Upon publication of the notification superseding a Board under Section 121, the following consequences shall ensue :

- (i) The Chairman and all the Members of the Board shall, as with effect from the date of publication of the notification, be deemed to have vacated their offices.
- (ii) The State Government shall direct that steps be taken for constitution of a new Board under this Act and till such time as a new Board under Section 86 is constituted as aforesaid, the State Government shall make such arrangements for carrying out the functions of the Board as it may deem fit, for the period not exceeding six months and may, for that purpose, direct that all the functions, powers and duties of the Board and its Chairman, under this Act, shall be performed, exercised and discharged by such person or authority as the State Government, may appoint in this behalf and such person or authority shall be deemed to be the Board or Chairman, as the case may be.

Power of Director to direct Market Committee for amending Bye-laws.

- 123.** (1) If it appears to the Director, that it is necessary or expedient in the interest of agricultural marketing to make any Bye-law(s) or to amend any existing Bye-law(s), he may, by order, direct the Market Committee concerned to make Bye-law(s) or amend existing Bye-law(s) within such time as he may specify in such order.

(2) If the Market Committee fails to make such Bye-law(s) or such amendment of the Bye-law(s) within the time specified, the Director may, after giving the Market Committee a reasonable opportunity to explain, make such bye-law(s) or such amendment of the bye-law(s) and thereupon subject to any order under sub-section (3), such bye-law(s) or such amendment of the bye-law(s) shall be deemed to have been made or amended by the Market Committee in accordance with the provision of this Act or the Rules made thereunder and thereupon such bye-law(s) or amendment (s) shall be binding on the Market Committee.

(3) An appeal shall lie to the State Government against any order of the Director under sub-section (2) within thirty days from the date of such order and decision of the State Government on such appeal shall be final and binding.

Power of the Managing Director to prohibit execution or further execution of resolution passed or order made by the Market Committee.

124. (1) The Managing Director may, on his own motion, or on report or complaints received, by order, prohibit the execution or further execution of a resolution passed or order made by the Market Committee or its Chairman or any of its Officers or servants, if he is of the opinion that such resolution or order is prejudicial to public interest, or is likely to hinder efficient running of the business in any market yards or sub-market yards or is against the provisions of this Act or Rules or Bye-laws made thereunder.

(2) Where the execution or further execution of a resolution or order is prohibited by an order made under sub-section (1) and continuing in force, it shall be the duty of the market committee, if so required by the Managing Director, take such action which the Market Committee would have been entitled to take if the resolution or order had never been made or passed and which is necessary for preventing the Chairman or any of its officers or servants from doing or continuing to do anything under the resolution or order.

Power to call for proceedings of Market Committee by Director or Managing Director.

125. (1) The Director or Managing Director may, on his own motion, or on an application made to him, call for and examine the proceeding of any Market Committee and the State Government may on its own motion or on an application made to it, call for and examine the proceedings of the Director or Managing Director, for the purpose of satisfying himself or itself as the case may be, as to the legality or propriety of any decision taken or order passed and as to the regularity of the proceedings of the Market Committee or the Director or Managing Director, as the case may be. If in any case, it appears to the Director or Managing Director or the State Government that any such decision or order or proceeding so called for should be modified, annulled, reversed, or remitted for reconsideration he or it may pass such order thereon as he or it may deem fit:

Provided that every application to the State Government for the exercise of the powers under this section shall be preferred within sixty days from the date on which the decision or order to which the application relates was communicated to the applicant;

Provided further that no such order shall be passed under sub-section (1) without giving a reasonable opportunity of being heard to the parties affected thereby.

(2) The State Government, may suspend the execution of the decision taken or order passed by the Market Committee, Director or Managing Director, pending exercise of its powers under sub-section (1).

**Liability of Chairman,
Members and
Employees for loss,
waste or
misappropriation etc.**

126. (1) If in the course of enquiry or inspection under Section 117 or in the course of audit under this Act, it is found that any person who is or was entrusted with the management of Market Committee or any deceased, past or present Chairman, Member, Officer-in-charge of Market Committee, or any other officer or employee of Market Committee or an Officer of the State Government has made or directed by assenting or concurring or participating in an affirmative vote or proceeding related thereto, any payment or application of any money or other property belonging to, or under the control of such committee to any purpose contrary to the provisions of this Act or Rules or Bye-laws made thereunder or has caused any or loss by gross negligence or misconductor has misappropriated or fraudulently retained any money other property belonging to the Market Committee, the Director or Managing Director may, on his own motion or on the application of the Market Committee, enquire himself or direct any officer subordinate to him duly authorised by him by an order in writing in this behalf to enquire in to the conduct of such person within two years of the date of report of audit, enquiry or inspection as the case may be.

(2) If on enquiry made under sub-section (1), the Director or Managing Director is satisfied that there are good grounds for an order thereunder, he may make an order requiring such person, or in the case of a deceased person, his legal representative who inherits his estate, to repay or restore the money or property and any part thereof, with interest at such rate, or to pay contribution and costs or compensation to such extent as he may consider just and equitable:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard in the matter;

Provided further that the liability of a legal representative of the deceased shall be to the extent of the property of the deceased which is inherited by such legal representative.

(3) Any person aggrieved by an order made under sub-section (2) may, within thirty days from the date of communication of the order to him, appeal to the State Government and the Order of the State government shall be final and binding:

Provided that in computing the period of limitation the time required for obtaining a copy of the order appealed against shall be excluded.

(4) No order passed under sub-section (2) or sub-section (3) shall be called in question in any court of Law.

(5) Any order made under sub-section (2) or sub-section (3) shall, on the application of the Director or Managing Director, be enforced by any Civil Court having local jurisdiction in the same manner as if it were a decree of such court, or any sum directed to be paid by such Order may be recovered as arrears of land revenue.

Power of the State Government to amend schedule.

127. The State Government may, by notification, add to or amend or delete any of the items of agricultural produce and livestock specified in the Schedule and thereupon the schedule shall be deemed to have been amended accordingly:

Provided that no notification shall be issued under this section without publishing in the Gazette previous notice of not less than thirty days as the State Government may consider reasonable of its intention to issue such notification.

Power of the State Government to give direction.

128. (1) The State Government may give directions to the Board and Market Committees.

(2) The Board and the Market Committees shall be bound to comply with the directions issued by the State Government under sub-section (1).

Recovery of sums due to Board or Market Committee.

129. Any sum due to a Market Committee or the Board on account of any charge, costs, expenses, fees, rent and any other account under the provision of this Act or any Rule or Bye-laws made thereunder shall be recoverable in the same manner as arrears of land revenue.

Chairman, Members, Officer and Servant etc. of Market Committee and Board to be public servant.

130. The Chairman, the Members, Secretary, other Officers and servants of a Market Committee and the Chairman, the Members, the Officers and other servants of the Board shall be deemed to be public servants within the meaning of Section 21 of the Indian Penal Code, 1860 (No. 45 of 1860).

Delegation of power by State Government.

131. (1) The State Government may delegate to the Board or any Officer of the State Government not below the rank of Director, any of the powers conferred on it by or under the Act other than the powers to make Rules under Section 136.

(2) The Officer so delegated under this section may sub-delegate any of his powers to any Officer of the State Government not below the rank of Deputy Director in the State.

Bar to civil suit & protection to person acting in good faith.

132. No suit, prosecution or legal proceedings in respect of anything done in good faith or intended to be done under this Act or Rule or Bye-laws made thereunder, shall lie against the Director or Managing Director or Officer of

the State Government or against the Board or any Market Committee or against any officer or servant of the Board or any Market Committee or against any person acting under and in accordance with the directions of the Director or Managing Director, such officer, or such committee.

Bar to suit in absence of notice.

- 133.** Notwithstanding anything contained in any section of any Act, no suit shall be instituted against the Board or any Market Committee, until the expiration of two months next after notice in writing stating the cause of action, name and place of abode of the intending plaintiff. Every such suit shall be dismissed unless it is instituted within six months from the date of the accrual of alleged cause or action.

Duty to local Authority to give information and assistance.

- 134.** (1) It shall be the duty of every local Authority to give all the necessary information in the possession of or under the control of its officers to the Market Committee or its officers authorized in that behalf, relating to the movement of notified agricultural produce in to and out of the area of the local authority, free of any charges.

(2) It shall also be the duty of every local Authority and its officers and staff concerned with the collection of toll, royalty, taxes, etc., to give all the possible assistance to any officer of the Market Committee in exercising his powers and discharging his duties under this Act.

Act not to be invalidated by informality, vacancy etc.

- 135.** No act done or proceeding taken under this Act by the Board, by a Market Committee or a sub-committee appointed by the Board shall be invalidated merely on the ground of-
- (a) any vacancy or defect in the constitution of Board or sub-committee; or
 - (b) any defect or irregularity in the appointment of a person acting as a member thereof; or
 - (c) any defect or irregularity in such Act or proceeding, not affecting the substance.

CHAPTER-XIII

RULES AND BYE-LAWS

Power to make Rules.

- 136.** (1) The State Government may, after previous publication, make Rules for carrying out the purposes of this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such Rules may provide for-
- (i) declaration of "Special Commodity Market Yard(s) and Market Yard(s) of National Importance (MNI) based on annual throughput and income and infrastructure under Section 8 and 9 respectively and constitution of Market Committee therefor;
 - (ii) classification of Market Committee based on annual throughput and income and infrastructure under Section 14 (4);

- (iii) procedure for constitution of the first Market Committee and subsequent Market Committee including qualifications of representatives under Section 17(1) ;
- (iv) election for Chairperson, Vice-Chairperson, agriculturist Members and other Members of the Market Committee and reservation of seats therefor;
- (v) meeting of Market Committee, leave of Chairman, quorum and powers and duties of Market Committee;
- (vi) appointment of sub-committee and delegation of powers under Section 42, mode of making contract under Section 48 and appointment of Secretary of Market Committee under Section 50;
- (vii) the periodical inspection of all weights and measures and the weighing and measuring instruments in use in a market yards;
- (viii) powers, functions and duties of the Secretary of Market Committee under Section 51, appointment of Accountant and Staff of Market Committee, their pay, allowances and pension etc.;
- (ix) fixation of quantity of sale under clause (i) of sub-section (2) of Section 64;
- (x) the procedure for recovery of market fees, fine for evasion of market fees and manner for assessment of market fees in default of furnishing return;
- (xi) procedure for grant or renewal and suspension or cancellation of licence to market functionaries, other than trader, under Section 69;
- (xii) procedure for grant/renewal and suspension/ cancellation of unified single trading licence under Sections 70 and 71;
- (xiii) procedure for allowing unified single trading licence for inter-state trade under Section 72 and its blacklisting;

- (xiv) procedure for grant or renewal of licences to set up private market yard, farmer-consumer market yard, market sub-yard, electronic trading platform and for direct marketing and suspension/cancellation thereof;
- (xv) procedure and condition for registration of wholesale ad-hoc buyers;
- (xvi) procedure and terms and conditions for declaring warehouse, silos, cold storage or other such structure or space as market sub-yard;
- (xvii) the provisions for the persons by which and the forms in which copies of documents and entries in the books of the Market Committee may be certified and the charge to be levied for the supply of such copies;
- (xviii) the trade allowance which may be made or received by any person in any transaction in the notified agricultural produce in a market yard;
- (xix) manner of dispute settlement between or among the licensees and between/among the licensees and Market Committee;
- (xx) facilities for the settlement of any dispute between a buyer and seller of notified agricultural produce and livestock or their agents including disputes regarding the quality or weight of the articles, payment in respect of the price of goods sold and the allowances for wrapping, containers, dirt or impurities or deductions for any cause by mediation, arbitration or otherwise;
- (xxi) the preparation of plans and estimates for works proposed to be constructed partly or wholly at the expense of the Market Committee, and the grant of sanction to such plans and estimates;
- (xxii) the form in which the accounts of a Market Committee shall be kept, the audit and publication of such audit and the inspection of audit memoranda of the account and supply of such memoranda;
- (xxiii) the preparation and submission for sanction of the annual budget and the report and returns to be furnished by a Market Committee and issues related to maintenance of accounts of Board under Section 97 (2) (v);
- (xxiv) the time during which and the manner in which a trader or commission agent shall furnish such returns to a Market Committee as may be required by it;
- (xxv) procedure for setting up of assaying labs including in private sector and promotion of quality certification system. Constitution of committee with technical member of Directorate of Marketing & Inspection to promote quality certification system;
- (xxvi) provide necessary infrastructure and logistic support for e-trading platform;
- (xxvii) the keeping of records of arrivals and prices of agricultural produce by Market Committee and other licensees;

- (xxviii) the manner in which auctions of agricultural produce including e-auction shall be conducted and bids made and accepted;
- (xxix) the recovery and disposal of fees leviable by or under this Act;
- (xxx) compounding of offences and fixing compensation thereof under this Act or Rules or Bye-laws made thereunder;
- (xxxi) manner of constitution of State Agricultural Marketing Services;
- (xxxii) recruitment, qualification, appointment, promotion, scale of pay, leave, leave allowance, acting allowance, loans, pension, gratuity, annuity, compassionate Fund, dismissal, removal, conduct, departmental punishment, appeals and other service conditions of the members of the State Agricultural Marketing service;
- (xxxiii) limits of honorarium, travelling allowance, sitting fees and any other payments payable to the Chairperson, Vice-Chairperson and Members for attending the meetings, etc.;
- (xxxiv) manner of investment of surplus in the Market Committee Fund;
- (xxxv) manner, terms and conditions of contribution by licensee of private market yard, market sub-yard, electronic trading platform and direct marketing to Marketing Development Fund and expenditure thereof;
- (xxxvi) procedure for framing of Bye-laws, their amendments or cancellation and for their previous and final publication;
- (xxxvii) term of the office of the Chairman, Vice-chairman and members of the Board;
- (xxxviii) the powers to be exercised by the Chairman and Vice-chairman and the Chief Executive of the Board;
- (xxxix) all matters required to be prescribed by Rules under this Act;
- (xl) mode of service of notice under this Act;
- (xli) generally for the guidance of Market Committee.

(3) In making any Rule, the State Government may direct that breach thereof shall be punishable with fine which may extend to two thousand rupees.

(4) Every Rule made under this Act Shall be laid on the table of the Legislative Assembly.

**Power to make
Bye-laws.**

137. (1) Subject to the provisions of this Act and the Rules made thereunder, a Market Committee may, in respect of a principal market yard and sub-market yard under its management, make Bye-laws for—

- (i) the regulation of business of the Market Committee;
- (ii) the condition of trading in a principal market yard and sub-market yard ;
- (iii) delegation of powers, duties and functions to the officers and servants, appointment; pay, punishment, pensions, gratuities, leave, leave allowances, contributions by them to any provident Fund which may be established for the benefit of such officers and servants and other conditions of service;
- (iv) the delegation of powers, duties and functions to a sub-committee, if any;

- (v) market functionaries, other than traders, who shall be required to take licence;
- (vi) enabling and regulating provisions relating to e-trading and activities and services incidental thereto ;
- (vii) any other matters for which Bye-laws are to be made under this Act or it may be necessary to frame Bye- laws for effectively implementing the provisions of this Act and the Rules made thereunder.

(2) No Bye-laws under sub-section (1) shall take effect until it has been confirmed by the Director or Managing Director.

(3) In making any Bye-laws, the Market Committee may direct that a breach thereof shall be punishable with fine which may extend to two thousand rupees and where the breach is a continuing one with further fine which may extend to two hundred rupee for every day after first during which the breach is provided to have been persisted in.

CHAPTER-XIV

REPEAL AND SAVINGS

Repeal and savings.

138. (1) The Meghalaya State Agricultural Produce Marketing (Regulation) Act 1980 are hereby repealed.

(2) Notwithstanding such repeal—

(i) The repeal shall not affect the previous operation of any enactment so repealed, and anything done or action taken (including any appointment, delegation or declaration made, notification, under Rule, direction or notice issued, Bye-laws framed, market area, markets, sub-markets and yards declared, established or notified, licences granted, fees levied and collected, instruments executed, any Fund established or constituted) by or under the provisions of any such enactment shall in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act and shall continue in force unless and until superseded by anything done or any action taken under this Act;

(ii) The State Government may, by notification, make such provisions as

(a) for making omission from, addition to and adaptations and modifications of the Rules, notifications and orders issued under the repealed enactment; and

(b) for specifying the authority, officer or person who shall be competent to exercise such functions exercisable under any of the repealed enactment or any Rules, notifications and orders issued thereunder as may be mentioned in the said notification.

(iii) Unless the State Government otherwise directs, the Market Committee referred to in clause (i) and the Chairman and members thereof shall continue until the expiry of their term under the repealed Act or till a Market Committee is constituted in accordance with the provisions of this Act, whichever is earlier.

(iv) On issue of a direction under clause (ii) of sub- section (2), the provisions of Section shall apply as from the date specified in the direction as if the Market Committee stood dissolved on that date.

**Power to remove
difficulty.**

- 139.** If any difficulty arises in implementation of any provisions of this Act, State Government may, as exigency requires, by order not inconsistent with the provisions of this Act, do anything which appears to it to be necessary or expedient for the purpose of removing the difficulty.

STATEMENT OF OBJECTS AND REASONS

Agriculture like any other enterprise can sustain, only when it can generate net positive returns to the producer. A market is a place, where a produce is transacted and price per unit is determined, resulting in the total value that a farmer-producer fetches. Since value returns impinge upon a farmer's income, agricultural markets and marketing efficiency become critical. In the light of the Government's vision to double farmers' income by 2022, it entails an urgent need to revisit the existing market structure of the country and bring in a more competitive marketing environment. This combined with improved levels of productivity and reduced cost of cultivation/production can drive agricultural growth, farmers' welfare, productive employment and economic prosperity in rural areas of the country. Organized wholesale marketing in the country is promoted through a network of regulated markets set up under the provisions of States' Agricultural Produce Marketing (Regulation) Acts. These market structures aimed at regulation and attainment of transparency in transactions, with a view to transferring remunerative prices to the farmer-producer. Overtime, however, these markets have largely been rendered restrictive and monopolistic, falling well below the intended objectives. Further, the existing regulatory framework does not support free flow of agricultural produce; and direct interface of farmers with the processors/exporters/bulk buyers/end users, and in sequel has let in large number of intermediaries who may or may not be adding any value along the value chain. This is neither advantageous to the farmers nor serves well the interests of the consumers. The profile of India's farm produce is changing. It is getting more cosmopolitan with higher levels of outputs in the domain of horticulture, dairying, poultry and fisheries, besides of course increasing quanta of cereals, pulses and oilseeds. Since the onset of economic liberalization of the country in 1991, that nation has also been experiencing visible changes in its transport and communication infrastructure besides penetration of internet and smart phones in the rural areas and greater technology- friendliness amongst the youths, who dominate the demography. With increasing purchasing power, mobility and changes in tastes and preferences, the consumers abetted by greater information and awareness are beginning to demand quality and differentiated products at rational price. The restrictive and monopoly-centric agricultural market structure as exists in the country today is not capable of permitting the producers to harvest the economic advantages of place, time and form value of their agricultural commodity.

2. These constraints can be overcome by replacing the current market structure and its regulatory framework by a more liberal and progressive law that allows free competition, promotes transparency, facilitates flow of commodities across space and time and encourages operation of multiple marketing channels by market players. What is needed is a barrier-free unified agricultural market for the country. The structure of Indian agriculture is changing and the sector is diversifying around cereals, pulses, oilseeds, commercial crops like cotton, horticultural crops, livestock, fisheries, poultry etc. It is, therefore, appropriate that a re-drafted and comprehensive Act is adopted, that is promotional and facilitative in unifying the fragmented markets. What also needs to be appreciated is that piecemeal amendments leading to patchy improvements will not serve the purpose of a growing Indian economy. The nation's economy is more integrated with the global economy, than any time before. The provisions of the Model APMC Act, 2003 and Rules 2007, therefore, need a comprehensive overhaul.

3. While the Model Act, 2003 and Rules, 2007 have contributed substantively over the last 14 years in opening the shut doors to alternative marketing channels, many short comings were visible, as the Union Government set out to operationalize electronic National Agricultural Market (e-NAM) in 2016. The Ministry's constant interaction with the States and UTs and a review with them at the NITI Aayog level recognized the need for a Model Act, that can serve as a template to enact new legislation and engender comprehensive market reforms in the agriculture sector. Following this, the Department of Agriculture, Co-operation & Farmers' Welfare in the Ministry of Agriculture & Farmers' Welfare constituted a Committee on Marketing Reforms on 12th August, 2016 under the Chairmanship of Dr. Ashok Dalwai, Addl. Secretary in the Department.

4. In view of the above, the Committee has found it appropriate to formulate "**The Meghalaya State Agricultural Produce and Livestock Marketing (Promotion and Facilitation) Act, 2020**" as a Model APLM Act encompassing a host of reforms that addresses the diverse and complex segments of a large sector like Agriculture. If States adopt this Model, it has definite potential of becoming a game changer in agricultural marketing scene. The salient features of the Model APLM Act, 2020 are:

- (i) Abolition of fragmentation of market within the State by removing the concept of notified market area in so far as enforcement of regulation by Agricultural Produce and Livestock Market Committee (APLMC) is concerned (State level single market).
- (ii) Full democratization of Market Committee and State Marketing Board.
- (iii) Disintermediation of food supply chain by integration of farmers with processors, exporters, bulk retailers and consumers.
- (iv) Clear demarcation of the powers and functions between Director of Agricultural Marketing and Managing Director of State Agricultural Marketing Board with the objective that the former will have to largely carry out regulatory functions, while the latter will be mandated with developmental responsibilities under the Act.
- (v) Creation of a conducive environment for setting up and operating private wholesale market yards and farmer consumer market yards, so as to enhance competition among different markets and market players for the farmer's produce, to the advantage of the latter.
- (vi) Promotion of direct interface between farmers and processors/exporters/bulk- buyers/end users so as to reduce the price spread bringing advantage to both the producers & the consumers.
- (vii) Enabling declaration of warehouses/silos/cold storages and other structures/space as market sub-yard to provide better market access/linkages to the farmers.
- (viii) Giving freedom to the agriculturalists to sell their produce to the buyers and at the place & time of their choice, to whomsoever and wherever they get better prices.
- (ix) Promotion of e-trading to enhance transparency in trade operations and integration of markets across geographies.
- (x) Provisions for single point levy of market fee across the State and unified single trading licence to realise cost-effective transactions.
- (xi) Promotion of national market for agriculture produce and livestock through provisioning of inter-state trading licence, grading and standardization and quality certification.

- (xii) Rationalization of market fee & commission charges.
- (xiii) Provision for Special Commodity Market Yard(s) and Market yard(s) of National Importance (MNI).
- (xiv) Providing a level playing field to the licensees of private market yard, private market sub-yard, electronic trading and direct marketing *vis-a-vis* the APLMCs and removing the conflict of interest that the latter are likely to practise, if both development and regulatory functions are centered in the same authority.

Hence, this Bill.

BANTEIDOR LYNGDOH,

Minister,

Agriculture Department.

ANDREW SIMONS,

Commissioner & Secretary,

Meghalaya Legislative Assembly.

FINANCIAL MEMORANDUM

There will be no additional expenditure involved from the Consolidated Fund of the State of Meghalaya for implementation of the provisions of the Bill.